Daily Report

Latin America

FBIS-LAT-95-061
Thursday
30 March 1995

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Ponce: Peru Victim of 'Insistent Provocations' by Ecuador

PY2903235495 Madrid EFE in Spanish 2001 GMT 29 Mar 95

[FBIS Translated Text] Santiago, 29 Mar (EFE)—On 29 March, in Chile, Peruvian Deputy Foreign Minister Eduardo Ponce, referring to the violation of the cease-fire on the border between Peru and Ecuador, said that his country is the victim of "insistent provocations by Ecuador."

According to Ponce, Peru's "attitude has adjusted to the norms and commitments undertaken in Itamaraty as well as in Montevideo," and he said that the Quito version to the effect that the cease-fire was violated by Peru was "farfetched and ridiculous."

The deputy minister asserted that shots were fired and "they landed very near Watch Post No. 1, where the international observers are posted."

"It is truly farfetched, and even ridiculous, to assert that the Peruvian troops fired their weapons from a point where the international observers are posted," added Ponce, who met with the media after a meeting with his Chilean counterpart, Mariano Fernandez.

Asked about the stance of the guarantor countries (Argentina, Brazil, Chile, and the United States), Ponce said he was sure "they share Peru's concern," and, more specifically, said that his country is "satisfied" with the way in which Chile has assumed its responsibility as guarantor.

Chilean Foreign Minister Jose Miguel Insulza, in turn, said that the Santiago Government "is very worried," the same as the other guarantor countries, about the new attacks that have taken place on the border between Ecuador and Peru, although he said there is no "precise information" on the origin of the hostilities.

Insulza added that it is expected that the observers of the guarantor countries posted in the conflict zone, with whom he is "in permanent contact," will supply this information as soon as possible, and he noted further that the cease-fire must be respected without any reservations.

The Chilean minister reiterated that the conflict affects inter-American relations at "all levels"; therefore, the border conflict must be solved as soon as possible. To achieve this, willingness on the part of both parties involved to seek a solution is vital.

Central American Presidents Support Social Integration

PA2903214295 Mexico City NOTIMEX in Spanish 1849 GMT 29 Mar 95

[FBIS Translated Text] San Salvador, 29 Mar (NOTIMEX)—Central American presidents today reaffirmed their support for the social integration process in the region—a process designed to reduce the poverty levels faced by inhabitants of the isthmus.

"Nicaragua recognizes that human development is a process that begins before a person's birth," Nicaraguan President Violeta Chamorro said before arriving in Salvadoran territory to participate in the 16th Central American Summit.

"Food, health, and protection is not enough. We must also take into consideration the effect, encouragement, interaction, and development of knowledge," the Nicaraguan president stressed.

Chamorro said the social agenda the presidents want to create is based on the people's participation resolving their problems and needs.

"Economic and social policy should be two sides of the same coin," said Costa Rican President Jose Maria Figueres, who arrived in San Salvador Tuesday night to review the Social Integration Treaty to be signed at the meeting.

"We cannot overlook social investment and the opportunities for individual and community development," Figueres stressed. According to diplomatic sources, his government is basically opposed to the document.

"All Central Americans have managed to overcome huge obstacles that hindered real possibilities for harmonious and supportive development of our peoples," Figueres stressed.

Meanwhile, Guatemalan President Ramiro De Leon Carpio recalled that the fight against poverty "is now one of the key topics on our agenda."

He added, "We must work to build a just social order in which a person and his dignity will prevail over all other factors."

"We must attack the most uncertain and unfair aspects of society, which includes the fight against extreme poverty," Honduran President Carlos Roberto Reina said.

The Central American presidents will end their summit on Friday [31 March]. The meeting will lay the foundations to establish a regional policy for social development.

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Cuba

Castro, Gomez, Rivero at FEU Congress

FL2903194795 Havana Cuba Vision Network in Spanish 0138 GMT 25 Mar 95

[Remarks by President Fidel Castro, Education Minister Luis Ignacio Gomez, and Otto Rivero, president of the Federation of University Students (FEU), at the FEU Congress at the Havana Convention Center on 24 March; from the "NTV" newscast—recorded]

[FBIS Translated Text] [Castro] I asked for a minute to point out that no one has mentioned the Ministry of Education. [applause] Nor have we questioned—at least I have not had the opportunity to do so—what is happening with their English teachers. I have heard that many of the English teachers are transferring to other areas. Many of them transfer to the tourist sector and other areas. I am constantly hearing the complaint that Cardenas was left without teachers; that Matanzas was left without teachers. I am not talking about those who study languages to work in the tourist sector or the one that studies in Havana to work in the Cayo Coco Hotel. Many of those contradictions are unavoidable.

We have been talking about this and we can see that it is unfortunate that people are placed in jobs other than the ones they studied for. But it would be good to hear from the minister of education to learn the causes of these problems. The problem might be complex. The generalized complaint is that they want to transfer to tourism. There was a sugar mill that was left without workers. It is close to Varadero. I doubt that will ever again be a sugar mill. [Crowds shouts: Yes it will.] Because of you it will once again be a sugar mill. [applause]

The oil sector also feels the competition. I know that the comrades of basic industry have thought of all kinds of things to prevent the exodus of the oil workers. There, everyone has problems: the Party has problems, the police have problems, there is even prostitution. It is attractive. I know about this because I have heard many express their concerns. This is worrisome for them and for all of us. But to complete this point we need to know something on the matter from the minister or vice minister of education. What is going on with their teachers, because the ones we lose the most are teachers. They go to many different activities. It is not only tourism.

[Rivero] We will then turn the time over to the Minister of Education.

[Gomez] Commander and dear comrades: This was one of the topics discussed during the Fourth Congress of the FEU. That was when we discussed the problem for the first time. In education we have always had a certain number of teachers dropping out of the ranks. Many teachers are promoted to political and mass organizations. Many of them today head the people's councils. Many go to activities that have priority. But we cannot deny that the four to five percent has practically doubled as the country's conditions have changed. I cannot blame tourism alone. There have been teachers who have tried to go work for the tourism sector. But it is not massive because tourism cannot massively assimilate the teachers that have left the profession.

I should also mention that there are other factors that play a role in this. For example, the number of teachers who have gone to the agricultural sector has increased. There are even teachers who are now self-employed. In other words, there is a percentage—because we have been investigating where they are going and what they are doing based on the indications that you gave us every year—there is an important percentage of teachers who do not work. With the condition of excess currency that the country had, one could easily live without having to work. We know that a teacher's work is very hard, that it requires much dedication. That is why many do not want to be teachers.

That is why we insist to the education faculty that the principle of unquestioning loyalty has to be the basis for this analysis. We cannot leave it to mechanisms. The best student of the education faculty today goes to the mountainous area; he or she goes to the rural school. And he does not go for social service only; he goes for five years or the time he is needed. Because three years does not solve the problem. He who goes into education to serve his social service, we prefer that they not go, because if we are going to seek quality in elementary education, the teacher should be with the child for the whole cycle.

We believe that we are in a moment when the situation is retrogressing. The measures that the country has adopted have their effect. We are no longer losing the same number of teachers. and there is a discreet manifestation towards the return of the teachers. For example, in January and February, in Havana City—where this has had the greatest impact—we have already had positive results. The number of those who came back was greater than those who left. Above all, those who have left were people who were not working. They were inactive. It is also a phenomenon that is not only the exodus but those who take medical leave and other types of justified leave—which in many cases are valid—to not work and dedicate themselves to other activities.

As far as English goes—following your instructions during the Ministry of Higher Education's progress report at the 1993 National Assembly, when you spoke about the Russian and the English—since then, the Ministry of Education has increased the number of students enrolled in English. We are currently enrolling approximately 500 youths each year to become English teachers. We currently have 3,500 matriculating, but must admit that it is from this group of English teachers that we lose the most because they are most useful to tourism, corporations, and other activities.

We cannot say that they are always seeking a profession. There are those who, when going for an interview at one

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of those places, deny that they are teachers or professionals. They present their high school diploma. We cannot trust that social service or invalidation of the degree will solve this problem. We must trust more in the political work, in the student's first-year conviction—when they enroll—that they will feel the commitment of going to where they are needed for the time that is needed. That is what we in the Education faculty have been doing.

The Higher Education Institute of Foreign Languages in Havana City had been operating for 15 years, then we decided to deactivate it and integrate it into the (Barona) as another faculty in Ciudad Libertad. That caused the withdrawal of some teachers and caused some students to drop out because their goal was not to become professors. Their goal was to study English to later transfer to another type of activity.

Today we can say that the great majority of those who are in the faculties of foreign languages want to be teachers more than anything, more than they want to learn English. This is reassuring because one cannot go to the classroom to teach English with the mentality of not wanting to be a teacher, or wanting to be in another activity where there is better remuneration or where there are greater benefits.

We know that the education sector cannot provide everyone with those benefits. Everyone in the education sector is aware of this. If we all thought of going to where it is most comfortable, then what would become of education, health care, defense, and other tasks? Today, we do not think there is a crisis with English teachers, even though our personnel teaching the language are deficient. That is a reality: because there are many students, because we lack technical methods, because we are not so effective at teaching the language, and perhaps because we Cubans sometimes do not learn foreign languages very easily. But we believe we are on the path toward solving the qualitative problems in the teaching of the English language. We would welcome all English majors who cannot be placed in other sectors to teach in our pre-university institutes, polytechnical institutions, or high schools. I can assure you that it is a task of infinite love of which you could always feel proud. [applause]

[Castro] What is... [pauses] Would you say there is a deficit of English teachers right now?

[Gomez] Yes, there is a deficit. We even....

[Castro, interrupting] How great is this deficit? A thousand?

[Gomez] Well, the volume is in the thousands. A few thousand. We have had to prioritize pre-university studies, and sometimes we have not had the teachers for seventh and eighth grades. So we have prioritized ninth grade. Pre-university guarantees a basis for enrollment in higher education, and they are the ones who will need English most. But at this moment we have a deficit of at least 1,500 English teachers.

[Castro] Here we can see the contradiction: There is an excess of students in languages for tourism, but there are not enough teachers for education.

[Gomez] That's right.

[Castro] I also noticed great concern over the fact that many are not going into the fields for which they studied. I do not think there is a society that can free itself from certain imbalances between the number of professionals or personnel trained for one activity who end up preferring another. Unquestionably, tourism today is very attractive, much more than other areas. Everyone must depend... [pauses] But the truth is that tourism is more attractive than education. What you said is right: Education cannot give teachers what tourism can.

The comrades who spoke expressed concern and frustration about studying one thing and being placed in a different field. I do not know if the precise solution can be found so that everyone here can be placed where they would like to be placed. The comrade who just spoke of tourism also pointed out certain things. Sometimes tourism is more developed in one area than in another. We have tried to achieve general development throughout the country. We are developing projects and [words indistinct] in all the places, but the investors like certain areas more than others. We would like to send tourism as far as possible from Havana because it is in Havana that we have the most headaches. However, almost all investors want to do something in Havana. As a matter of fact, they do combinations. They are given something in the city, and a hotel is built over there in [words indistinct]. Or a hotel is built in the north, in Cayo Coco, but there are certain hubs that are a lot more attractive. Nevertheless, we have universities in different parts of the country.

I remember that conversation about how tourism would require certain types of professions. Some of these areas did not seem to have a future. But they have. There is no doubt that there is competition. There must be quite a few English teachers among them. They did not prepare themselves for that area. They studied to be English teachers and they ended up over there, and from other professions as well. Professionals sometimes prefer driving a car in Varadero to working in their field.

[Rivero] Or sometimes as doormen.

[Castro] Yes, or as doormen. If Yadira [Garcia] were here—it is unfortunate that she was not invited to this congress...

[Unidentified person, interrupting] She was invited.

[Castro] Yes, but she is not here because I know they live... [pauses] They have many problems around that great hub, with the competition that other sectors have,

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with the many problems competition creates. This happens with many of the teachers and professionals who go there. It is the place where today there is the greatest amount of foreign currency, resources, and opportunities. The best living standards, the best working conditions.

Unfortunately, we have not been able to offer all those benefits to the teachers. It is such an important area, but they number hundreds of thousands. We wish we could provide them with the same benefits. The same with doctors and hospital personnel. But they too number hundreds of thousands. The sugar workers—we have not been able to offer them all those benefits. That would be impossible. They are also hundreds of thousands. In some factories, such as electricity, we have provided some benefits. In the scientific hubs, we are also beginning to provide benefits. That is just to show them that their efforts are appreciated.

Someone also mentioned the job placement commission [words indistinct] and that it was going well. But just look at the hub. The hub is a reserve. Those workers are not really needed there, but serve as a scientific reserve. They studied biology or in other scientific fields, but all of a sudden, because of our economic situation, that area did not continue with its strong development. [words indistinct] these intelligences to be lost let us send them over there. And the list of employees at the investigation centers were extended. They now have a list of scientific reserves for the day when we can continue building centers. That would also be ideal for many other activities.

The contradiction between efficiency and all those things [words indistinct] They demand efficiency, but on the other hand, one must place everyone here or there. There are a series of contradictions that are developing and we cannot overlook them.

They are problems that are easy to solve. When we have an understanding of all these problems, it will be easier for the comrades present here to explain to the others the issues we are facing, and there will be less friction.

I did not think Gomez's words would be applauded when he said that [chuckles] they were willing to employ everyone who spoke English as teachers. Well, many applauded, which indicated that there is an understanding and an awareness of the entire situation. You would like to use some as teachers, but some do not want that. The comrade from—where?

[Rivero] From the faculty of languages of the University of Havana.

[Castro] She expressed this very strongly, right?

[Rivero] She is the one who said she was demanding.

[Castro] The one who was demanding. [words indistinct] the word. You can use any word you want. But she clearly stated: We studied for this. What do we do if there are a few extras? We have to [words indistinct].

In today's world—in the capitalist world, of course, not ours, even though ours cannot free itself from the problem, except that we deal with it humanely—people are constantly being left to the streets. They are constantly using retraining programs. This problem was also discussed when we talked about specialized and generalized education in the Congress of 1986, because the specialized training makes retraining much more difficult. In today's world, in the developed world, tens of millions of people are constantly retraining themselves because they cannot adapt to the new technologies that arise. Each of those factories around there became new, with enormous scientific advances, but what they do is reduce workers and create unemployment.

I explained this in Copenhagen. This developed capitalist society, the more it develops, the more people it lays off. There cannot be social development within that context. The idea of dividing resources so one can remain employed is a socialist concept. Capitalism has an insoluble contradiction. All these reconversions everyday generate more and more layoffs. Well, the occupation of the unemployed already exists. Some countries have so many resources that this allows them to spread them out a little in the form of help. But [words indistinct] have nothing to give those who are laid off.

I have told some capitalist: Why don't you reduce the work hours? Why don't you reduce the number of days worked in a week to four so there is enough for everyone? Why not convert that time into vacations or recreation for the people? But no. It is like watching a Charlie Chaplin movie.

We saw an office consisting entirely of windows. There you could talk, or chat with some one inside your cubicle. They can talk, smoke, or read books. All the walls of the office were made of glass. Everyone could see what everyone was doing in that office. But when you look at the production line, everybody is frantic. One cannot imagine how a human being can support that rhythm of work. Not even our volleyball athletes who work eight hours a day running and practicing have the work rhythm of the hundreds of factories that I visited. It was complete madness in the midst of a factory that was pretty mechanized. The manual labor to be done was very difficult. It seemed like madness.

The chains of modern industry, instead of reducing the work rhythm, have increased and multiplied it. The workers do not even have time to look around them. If they look elsewhere, they might lose a hand. It is very hard work. Even developed societies with high wages, with many material things that can be acquired with those salaries... [pauses] It is not easy to adjust to the idea of a man having to kill himself like that for a little more money. And in spite of that, they have 12 or 13 percent of unemployment.

There are countries that have 15 percent. There are others that have 20 percent unemployment. The Chileans were telling us of a new mine they are building near

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their largest mine. The big mine had about 5,000 employees. The new mine, which will produce about the same, will have less than 1,000 workers. That process continues and we do not know where it will end up, but they must constantly be adapting and readapting people.

We cannot free ourselves of certain problems—of readapting and retraining the people. It is a process that doctors must go through as well. A doctor who does not study stays behind. At the end of five years, his knowledge becomes obsolete. These are real problems. As much as we want to perfect socialism, we are not in a condition to perfect it now. We are only in a condition to save it. We cannot achieve a total, absolute conciliation even though we have the duty to treat all of the comrades' concerns.

What should we do? Should we reduce the number of students in some places to prevent excess? What can we do so we do not have excess workers? [words indistinct] Is it so bad to study one thing and be placed in another? Is it so bad to study for one thing and be taken to fill positions in another sector?

In general, the country has suffered an infinite drainage of teachers because everybody took the teachers, especially in the beginning, since they had the highest educational level. But they are still being taken for other reasons, and some of them are having problems. As Gomez said. many are returning because the excess currency was an element that contributed, in hospitals and schools, toward the reduction of personnel. The more people need money, the more they appreciate their jobs. I believe he said that 272 teachers returned. That is basically due to the economic pressure of the reduced excess currency, apart from the work of visiting and encouraging teachers to return.

I thought when I saw your commissions working that this congress would be more difficult than those in the past. In the past, the problems were a lot simpler. Now, resolving the comrades' concerns is a bit more difficult, requiring more thought and meditatation. Your work is much more difficult because in the past, we did whatever we wanted to do. There was a solution to everything. If the technological institutes did not have cows, we got them cows. If they did not have equipment, we would get them equipment. There were jobs for everyone. There were even jobs for mid-level technicians. The economy was expanding. It was growing with all types of investments. It was easier for us to answer the concerns. It seemed logical when I was told that job placements was the point most discussed.

Castro Gives Fifth FEU Congress Address

FL3003014895 Havana Tele Rebelde and Cuba Vision Networks in Spanish 2200 GMT 26 Mar 95

[Address by President Fidel Castro at the closing session of the Federation of University Students (FEU) Fifth Congress at the Havana Convention Center on 25 March—recorded]

[FBIS Translated Text] Distinguished guests, dear comrades: Many things stir in our hearts today, many feelings, and strong emotions. As I heard you bid farewell to Otto [Otto Rivero, outgoing president of the FEU], at times I wondered if I was attending a wake. We are all truly saddened by the change. He is going to discharge other duties. Yes, every time a new task—always a difficult task—is assigned a revolutionary, I tease and congratulate him.

Today is packed with memories, history. Today, we commemorate the centennial of the Montecristi Manifesto, one of the greatest political legacies bestowed on a people. We are also commemorating Mella's birthday. We are living a moment that might remind us of his phrase, the most solemn hour of history.

To the guests it might to be easy to understand the closing session since we are all aware of everything that has been discussed and mentioned. I must stress that I have found the capacity for expression, the specific, clear, frank manner with which the participants of these debates have expressed themselves to be truly impressive. It was truly impressive to someone who has had the opportunity to attend many events, particularly many university student congresses. I do not recall if I have missed any; I believe I have attended all five. A change can be observed. However, this change might not be solely the product of the experience gained. I believe it also has a lot to do with the times in which we are living, the awareness of the moment in which we are living. This makes everyone more precise and concrete and speak with a greater sense of responsibility, with greater consciousness.

We have been meditating while you debated. We have enjoyed your happiness and felt the sadness of the things we have not yet been able to do.

The issue of job placement [ubicacion] was new and very important. This is a result of the times, as we mentioned yesterday, because it is truly a novel problem. What can we say? In addition to what has been said here, and the discussion of the commissions, we will do everything possible and the impossible to find fair solutions, reasonable solutions to these issues that today trouble the students, and justifiably so. We will somehow find solutions. This problem was mentioned in several addresses. Much could be said about everything that has been discussed here. I truly endeavored to catch every single word and comma. I had the privilege of hearing many impressive addresses. Some comrades said things that partially summarize our situation today. I particularly remember three or four of the things said by that young man from Matanzas—Carpio. I listened to his first address, but did not know his name. He reflected some of our problems and contradictions.

Yesterday, we discussed the issue of job placements for English teachers. We heard comments by the comrades. Their concerns are very well grounded, justified. They worry that they might be transferred to other jobs for

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which they have not been trained. I also wanted to review the situation with other university professionals who, as a result of the current situation, have gone from one sector to another for which they were not properly trained. The problem is old, not new. I believe that teachers were perhaps the first sector involved in transfers [reubicaciones]. Everything happened so quickly. The party, mass organizations, and everyone wanted to get the teachers—logically, because they were the most highly educated people.

At the time of the triumph of the Revolution there were 10,000 unemployed teachers. That situation was quickly eliminated. A number of them may have gone abroad, but we created 10,000 jobs in one fell swoop, a few months after the triumph of the Revolution. Then it came to pass that we experienced a shortage of university students. At one point, we did not have students entering the universities because most were getting jobs with the government. It was a period of high unemployment. Some were joining the Revolutionary Armed Forces; others were sent to study space rocketry and a number of other technologies for which a minimal level of education was needed, while others were joining the Interior Ministry. It, therefore, came to pass that at a certain point in time we no longer had university students.

We must also remember the students' role in the illiteracy campaign. This was not mentioned. We do not have to be modest about it, although the Cuban Revolution is not given to boasting. However, if we observe what has happened in the world since the triumph of the Cuban Revolution, it becomes clear that the most successful battle against illiteracy in the world, ever, was the one conducted in Cuba. This was accompanied by follow-up campaigns. Then all of a sudden there was an boom, not only demographic, but also of sixth grade graduates. We did not have middle schools. Then an enormous number of schools were built. During certain years, more than 100 schools were built in the field. Then there was a boom of teachers; we needed teachers. Once again we called upon the students to quickly train and become teachers, training in the morning and teaching in the evening. Then, tens of thousands graduated from high schools. Next there was a boom in the universities; we did not have enough. It was a constant struggle to keep ahead. There was not a lack of jobs. Miracles had to be performed to conduct all of these programs of the Revolution. Pirating was widespread, of course, because this or that enterprise would attract schools' personnel away. There was a constant drain, but it was not a problem of a shortage of posts.

This was discussed yesterday. The young man from Matanzas spoke about this problem. He mentioned the case of the biology teacher who moved to Varadero. Quite a few have moved to Varadero. It pained him to mention this. He was not being critical; he said he understands that every man is a world. He said something that truly hurts. He said that the biology teacher was building a home, but lacked the materials to complete it and had children, but could not provide for them, that he did not make enough to provide for his family and had to go find some lowly job in Varadero. That made me remember the efforts we had been conducting up to a few years ago to ensure that no one lacked materials—gravel, cement, sand, bricks, or everything else—to build a home. We had created the framework to build 100,000 [homes a year]. We had the construction workers, the contingents, and no one had to abandon a teaching job and go work in Varadero. We had economic resources—clothing, shoes, food in greater amounts than today. No one had to make much of a change. However, that is not the case of one single teacher, but the case situation of hundreds of thousands. We could say that it is truly the situation of millions of people, people experiencing all types of needs. These situations generate events of that nature.

He also spoke about other very current problems. He spoke, for example, about the discussions and work conducted by the Student Labor Brigades. He stressed the importance of their being well trained, of having good arguments because some come and say: Sure, education and health care! The argument of education and health care is one of the most perfidious arguments used by the enemy to dismiss everything the Revolution has done. Yet, if any other political process were to have done what the Revolution has done in education and health, it would be considered one of the greatest political processes in history. [applause] There is no comparison, not even in the developed world. I mentioned some facts that I capitalized on during my trip to Europe—the number of teachers, doctors, and nurses per capita. We could mention the number of foreign students per capita whom we have trained in Cuba, as well as the number of gold medals per capita, sports trainers per capita, and art teachers per capita. Cuba not only made great strides in education and health care, we are admired worldwide for our sports accomplishments. You have no idea how greatly admired Cuba is abroad for what it has accomplished in sports, or how much the world admires the fact that this tiny, blockaded island placed fifth in the Olympics.

How can a country that has been subjected to pressures and threats for over 35 years be fifth in the Olympics, and place better than any Western European country? China, with its 1.2 billion people, placed ahead of us. The former Soviet countries still have good athletes—despite the fact that everything has been razed—and won more medals than we did. The United States did, too. Did I forget one? Ah yes, Germany. Therefore, I cannot say we did better than the Western European countries. However, we will try. They are going to have to deal with us again. We can also say that Cuba has more sports trainers working abroad than any other country. We have hundreds of trainers abroad. We are actually helping others win medals away from us.

What about Cuba's accomplishments in culture? Can anyone doubt the world's admiration of our painters, our musicians and artists? This cannot be doubted. I am

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speaking of social development, not education and culture alone. Can anyone doubt Cuba's accomplishments in science? Among all the Third World countries, Cuba is unquestionably first. Does any other country have a movement like the Science and Technology Movement, in which over 1 million people participate, and create results such as those extolled in your addresses?

Has any other country developed the level of scientific research we have attained in our universities, particularly over the last few years, and in the midst of a special period? We could also ask: Has any other country demonstrated more solidarity, or sent more doctors, teachers, technicians, or soldiers to the Third World than Cuba? Let that country raise its hand.

Has any other country done more for women's rights, or against racial discrimination, than Cuba? Has any other country done more for human dignity, or to safeguard children, the handicapped, to provide social security for the elderly, or the sick, or those who found themselves alone in this world? I wonder if any country has done more with less. No other country has done more to provide equal opportunity for all its citizens. Just think for a moment. Where do you come from? Did your family own sugar mills, large stores, or factories? Who are your parents, uncles, relatives? Yet today you are here, discussing something as important as the education and lives of the students, the youth, the future, without needing to be rich.

Are all the efforts to promote human dignity and justice worth nothing? What country has done more for social justice than we? What small country, left alone against the most powerful empire ever, has been able to resist? What small country would have been able to withstand the collapse of the socialist bloc and the USSR, or the abrupt loss of its export markets, basic sources of energy, food, and raw materials? What country did more in less time, not only in terms of social development, but also in terms of sustained economic development for over 30 years, changed life in the fields, and turned all the indentured, exploited peasants into owners?

Cuba brought modern technology to farming. Cuba dignified the workers, those workers who had to make do during the off season, unemployed, without access to medical services or social security, or aid for their family, and without hope.

What country has done more to humanize labor? Having put an end to manual sugarcane cutting alone classifies as an achievement of the Revolution. More than 300,000 men would stand in line in the sugarcane fields hoping to get a job for a few months. They were constantly in debt. That inhuman work was performed by slaves in earlier times. To quote that comrade—I cannot call him a foreigner—but the Cuban comrade who was born abroad and spoke here: Those men uprooted from Africa to cut sugarcane and harvest coffee. Then came the immigrants from the Caribbean, former slaves who found themselves without land or jobs or anything.

In Cuba, rice was harvested with a sickle, which has been eliminated from the flag of the USSR. It was removed, right? I no longer look at flags because I have seen so many people changing coats that I no longer care to memorize flags. I prefer to wait until the sickle and hammer reappear in the flags of many countries. [applause] Or until new ones appear.

All transportation had been mechanized, made more humane. Construction work was humanized. Dock loading was humanized. That entailed a great material and economic investment by Cuba, to eliminate having workers carrying 350- or 325-pound sacks. It was all mechanized.

The country was crisscrossed with highways and roads. I do not know if anyone has the exact figure, but I believe we built somewhere between 40,000 and 50,000 km of highways and roads. Dams and irrigation channels were also built nationwide. Irrigation systems were established, as well as fertilization programs, and mechanical milking. Practically all of the hardest tasks performed by our people where humanized by the Revolution. Rural fences were electrified. In Cuba, a country without large rivers to produce electricity or large oil deposits, electricity reached over 90 percent of the population. Everyone had a job. The cities were expanded.

Before, there was one single university in the capital, and dreams for some others. Now every province has a medical school, and some more than one. Every province has the capability to train many different specialists. The same happened with vocational schools and science and technology institutes. We have research centers in every corner of the country. The towns went from small villages to what you find today. The change is enormous. Hundreds of factories were built.

All this was done despite the ever-present threats of imperialism and having to conduct yearly mobilizations, having to maintain hundreds of thousands of soldiers in the Armed Forces year after year. We have had to defend ourselves not only from the blockade but also from dirty wars, mercenary invasions, sabotage. Do not think for even a moment that these are things of the past. The plots to assassinate Revolutionary leaders, carry out sabotage or armed incursions, and the efforts to destroy our key industries or harm our economy are not a thing of the past. Imperialism has active and current plans, in addition to the blockade. All these things were done in the material and economic sphere. This shows the influence of the mercenary, enemy propaganda that seeks to negate all the accomplishments of the Revolution. The wealthy, developed world should be ashamed of not having solved problems that we solved long ago.

The comrade from Matanzas said other things, but if I were to relay to you my every thought on everything discussed, we would never get to the end. He said other things: He said they lament not having experienced the era of the Moncada, or Granma, the Sierra Maestra, or

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the internationalist missions, and all that. Yet he rightly said that this was one of the hardest, most difficult times.

At noon I was asked some questions as part of a television documentary regarding the cadres that have played a role in the youth movement all these years of the Revolution. I was asked to say something, my opinion about the youth, the pioneers. I [chuckling] mentioned that some of them, many perhaps, regret not having experienced those times. I said I regretted not having your age in this period, regretted not being one of you, one of the delegates to this congress. [applause]

I also was a university student. I remember how much the youth suffered, how divided and fragmented they were, how disoriented and confused by a media in the service of imperialist interests. The entire media was in the service of the exploiters, landlords, multinationals, and the interests of the United States. They were oozing out venom at all hours in order to maintain that system. I remember the students from those few universities. Havana University had basically one single campus. The one in Santiago de Cuba was beginning to develop. There was also some effort to establish one in Camaguey and one in Holguin. How could the students back then have held a congress such as this, or played such a role, or had such participation? Would they have been allowed to discuss today's problem in front of the entire country and world?

Being here and listening to your discussion is our duty. Nothing could be more important. Not even a lowly councilman or the media or anybody came to our student meetings. Yet they came out to witness the students taking to the streets to protest injustice, with the police aiming their water cannons at them and beating and repressing them. Then the students were news. Unfortunately, this is still happening in many parts of the world. Yesterday, as we left the evening session, we heard on the news that five students had died in Santo Domingo, students who were protesting against certain measures—five deaths. Seldom does a day go by without news of a student being murdered by repression.

It is so different here; everything is truly so different. We never had your level of training, education, culture, and unity. The number of students and teachers back then was very small, unlike the tens of thousands we spoke about yesterday. Yes, we did wage that fight. We had many things to accomplish and only a few to defend. It is true that we got to fight against corrupt and tyrannical governments, and all that. However, we envy not your lives in comparison with the lives we lived, but the times it has been your lot to live in: your struggle as your country faces—I repeat—the mightiest imperialist power and the most inhuman and cruelest of blockades. The flag of the solitary star remains aloft and refuses to become a star in another flag. Cuba cannot conceive of relinquishing the place of honor the world bestows on her today.

I am fully convinced that our flag has never been so respected, and our country has never been so admired. This is not hearsay. I have talked with many people in my travels, with many politicians and heads of state and governments. If you had lived my experiences, you would have come to the same conclusion: Cuba has never been less alone. It has never had so much prestige, nor were more hopes ever cast on her.

This hurts our enemies deeply. You have no idea. It drives them mad. It moves them to try more and more things against us. They cannot resign themselves to the fact that we have resisted. The blockade is not enough for them. Now they are seeking to strengthen it even more, even to the point of madness.

Let me tell you something else. Parallel to the increase in prestige of Cuba, the world is becoming more and more convinced that the U.S. policy on Cuba is sheer madness. We see this at the United Nations, which cast 101 votes against the blockade, and two votes in favor—one from the United States. Many countries manage to be absent at voting time and many others abstain. When one participates in a conference like the Copenhagen Summit, where one meets ministers, vice ministers, and government officials from across the world, or one visits UNESCO, which has workers from every corner of the globe, one encounters a support and an attitude that is even more amazing than that seen at the United Nations. All this, despite the lies levied against Cuba. It is incredible.

It is a miracle that they did not have a heart attack as a result of the trip to France. I did not know we were a reason for heart ailments in some people. That is new. There was talk of cardiac arrests, fainting, and who knows what else. You probably hear it all. There was a true rage. They are incapable of tolerating and coexisting, that kind of thing. Such behavior by such a mighty and influential power! This is why the world has such a poor opinion of their policy toward Cuba, and yet, they are trying to promulgate further laws against Cuba.

There are two governments in the United States right now. That is the most complex part of all. There is the administration, known by all, and a Congress in the hands of the opposition and extremely reactionary sectors. They are filled with hatred toward Cuba. Now, they even want to prohibit anyone who does business with Cuba from visiting or doing business with the United States. They are now talking about keeping the blockade in place even if the Revolution were to collapse. That is a new twist in thet bill proposed by one of them. They are demanding compensation not only for the U.S. properties nationalized by the Revolution, but also compensation for the properties of all the landlords, latifundium masters, and rich people who left Cuba and became U.S. citizens. This means we have to pay compensation for every one of your homes, [chuckles] for the bit of land worked by the humblest of Cuban farmers. We would have to pay compensation for everything. It is one of the most absurd and monstrous inventions in the world. It is not too strange that in the United States they do not have

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enough jails for criminals, drugs, etc; what is strange is that they do not have more loony bins. [applause]

Such bills are being presented, when 101 nations voted against the blockade in the United Nations, and only two voted in favor! Of course, following the collapse of the socialist bloc, and as a result of their calumnies, they have a mechanical majority on some of the UN committees, where some nations dutifully do the U.S.'s bidding. Before, Cuba always had a majority against the U.S. allies. They were unable to pass resolutions against Cuba. Now one of the very first was the USSR. No, not the USSR, I am reminiscing here. Russia. Russia has taken two different positions. It voted this year against the blockade bill, but it voted against Cuba in a meeting of the Human Rights Commission in Geneva.

This made me think of Chechnya. Strange things happen in this world! Let me be clear: I am against the disintegration of any country. I agree. However, the dispatches carried news of who knows how many thousands of cannons shelling the region, hundreds of planes and helicopters bombing the region, tens of thousands of soldiers fighting, and civilian casualties. Yet, they voted against Cuba at the Human Rights Commission, against a country that has never had a single missing person, where never in 36 years of Revolution has there been a political crime, where no one is tortured.

Why am I saying this to you? You come from every corner of Cuba. You are aware of the behavior of our forces. You have an elevated opinion of our Armed Forces and Interior Ministry personnel, in light of their behavior, high ethics, and chivalry. Never in all the internationalist missions carried out by our Armed Forces was a single prisoner murdered. This is so uncommon that it is a rarity in this world. We are aware of what generally happens in the world. Hundreds of thousands of our soldiers have served internationalist tours of duty, yet no one can say that a prisoner was ever murdered, beaten, or abused. That is the tradition we inherited from the Rebel Army, that was also our behavior during the Bay of Pigs invasion. They surrendered en masse, yet not a single one was beaten. Search all you want through Miami and the entire globe, you will not a find a single person who can say that when taken prisoner, in the heat of battle, despite the many casualties we had sustained, a single mercenary soldier was beaten.

Our knowledge of the history of mankind and revolutions allows us to affirm that there has never been a more humane, cleaner revolution than the Cuban Revolution. [applause] This is a truth they have not been able to destroy despite their huge propaganda apparatus. We have seen this in the contacts we have made with people worldwide. We are the only blockaded country.

The PRC is a large and powerful country. It is not blockaded, for which we are happy. Vietnam is not as big, but its population is much larger than ours. It is an important country and is not blockaded. The DPRK is a country which until not long ago had tense relations with the United States. Today they are discussing nuclear issues and supplying reactors and fuel. Yet with Cuba, the policy is another: More laws! More blockade measures are being proposed! Within the chaos that is U.S. politics, no one can predict the course of events. It is a dangerous thing when the most reactionary, fascist sectors in the United States grow more powerful. It is dangerous. It is a real danger. It deserves to be followed very closely.

However, this does not scare us, nor is there anything to fear because nothing scares us. [applause] Nothing can scare us anymore. [applause] How can it scare us after everything we have been through? We no longer even mention the missile crisis; it is just one more episode, although it was a nuclear crisis. Nothing could have been more catastrophic than the disappearance of the socialist bloc and the USSR. We were left alone to confront an empire that had become a global, unipolar, hegemonic power. It could not scare us, just as we are not scared by the news of the things they are doing or the plans they draft. However, that is the reality. We are not going to relinquish our ideals. We are not going to fold our flags. Surrender? We will never surrender! [applause]

Their hatred is a measure of our merit and of the greatness of our people. Their hatred and threats are a measure of the moment in history you are living. Yes, this is our lot. No one even imagined that we could resist; yet we have resisted. Somebody reminded me earlier that the USSR still existed during the previous congress. That was December 1990. December 1990? What happened? Was this one delayed? [indistinct remarks by unidentified speaker]

It has been more than four years, right? You see. Where is that comrade who was arguing. What do you call him? Juanchi? Juanchi! [applause] Four and a half years have passed. The congress kept getting postponed. In the last four and half years, the USSR disappeared. However the FEU has not disappeared. [applause] The Revolution has not disappeared. [applause] Cuba has not disappeared. [applause] This angers many.

I was telling a comrade that I did not know how old your T-shirts or shirts are. If you need any I can lend you some because lately the fashionable thing is to give me shirts and suits. [applause] I can donate them to the FEU for a future congress.

You all look good. The mood is happy and pleasant. I am referring to the physical aspect. I see energy, strength, vigor, and talent. This does not negate the enormous sacrifices made by our people. Yet despite that, you are here. I get the impression you are more resolute everyday. I get the impression you are more committed. I get the impression you are more willing to win. [applause] [Crowd chants: Fidel, friend, the FEU is with you!]

We could also send a message to Senator Helms: Hey, we are still here! And we will still be here regardless of any laws. [applause]

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It is not that easy for them to carry out their Machiavellian plans. Right now they are enjoying a honeymoon with the public. However, the honey is getting watered down and might end up turning into vinegar. The polls are beginning to show that the people are not that happy with what they are doing because, among other things, they want to eliminate all the social advances, all the measures to help the poor, the unemployed, the sick, etc., implemented in the United States since the Roosevelt era. Some social programs needed by millions of people are being eliminated. Everyday they present a new bill to eliminate social measures in what they call a New Contract, with which they want to replace Roosevelt's New Deal [last two words in English]. They are taking very harsh measures, measures benefiting the rich and reducing aid to the poorest sectors of the American population.

We must not forget that in the last presidential elections, the majority of women, Hispanics, blacks, youths, and the unemployed voted against neoliberalism in that country. They voted against the Bush government and voted for Clinton because he had offered a series of measures, including a health plan that would cover all Americans, because there are tens of millions of North Americans who do not have access to health care. He offered a series of social measures, and it was those people who represented the majority, which gave Clinton the electoral victory, apart from the fact that they were divided.

Only half the people voted. If there are three candidates, the elections are decided with only 30 percent of the votes. That produced a strong reaction by the adversaries who began to work hard, and it is they who are promoting all these measures or trying to implement them.

But they find growing opposition by the U.S. press. Since the famous rafter crisis, more than 300 editorials have been written in the main U.S. newspapers criticizing the U.S. policy against Cuba. Many U.S. press agencies and many U.S. businessmen watch as investors from Europe and from all other parts of the world come to Cuba; but they cannot come because they have been forbidden to do so. They are not allowed to trade or invest in Cuba. It is not that Cuba is a big or gigantic market like China, which by itself attracts investments. But it is a matter of honor and principle. Businessmen do not like to be excluded from anywhere.

The number of businessmen who oppose that policy grows; the number of North Americans who oppose that policy also continues to grow; the number of North Americans who oppose the reactionary programs promoted by these ultra-rightist groups in the U.S. Congress also continues to grow; and the amount of international opposition to this type of policy also grows. With this I want to point out that it will not be so easy for them to do it. But they continue to move with amendments and no one can disregard the possibility of one of those measures being applied, even though it will not be easy for them because of the reasons that I previously explained.

Nevertheless, we must be ready to struggle even in case a law is applied, just as we are ready to fight on all fronts. On the defense front, we make enormous efforts to strengthen our defense and to strengthen the work of the Ministry of the Interior, with less expense each day.

Here, we could see the analysis that you made in the Defense Commission and the ideas that were expressed on how to perfect the participation of students in that effort. But we must continue defending ourselves. No one can think that we can forget all about this.

If I were not obliged to be discreet, I could tell you a few things that would amaze you: The plans they elaborate and some of the things they have in their heads. One might ask oneself: Who comes up with these ideas? One can be sure that it is a conspiracy by these extremist groups in Congress.

Sectors of the administration, or some sectors, are promoting all this—because the very administration is divided. What role does the infamous CIA play in all this? But we gather information, we accumulate data, we accumulate proof. No, we do not sit with folded arms.

We are very discreet and we observe everything. One must observe everything because today one must have more tact than ever, more calm than ever, more level-headedness than ever, and more patience than ever. Even to speak, one must be discreet. And the things that need to be reported—one must know when to report them and how, and what to do because they do not ignore the fact that we know. As a matter of fact, we have let them know on a number of occasions that we know. We say: Hey, this is going on; this other thing is also going on. We accomplish nothing by immediately reporting it in the press. Now we are learning to manage secrets effectively. Before we would manage them well, but I believe today we know how to manage them more effectively and more politically. But, it is a tough battle. One must never underestimate. Great are the obstacles and one must not underestimate.

Today, it hurts me deeply to hear that at times we lack pencils in the classrooms, or notebooks. It made me remember those times when we printed college textbooks by the thousands and sold them at very low prices so that graduates could have their own copies. This is hard, sad. It is the truth. We get some notebooks here and there, and distribute them in primary and middle schools. We even struggle to figure out how many square yards of fabric we need for middle and high school uniforms. It hurt us so much to see that the many things we did for a long time now experience such problems and difficulties. It hurts deeply to have stopped so many programs. It is sad, truly sad for those of us who have lived so many years of Revolution, so many different experiences. How hard it is! As we listened to the comments about the

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pencils and notebooks, we thought and we have to continue thinking. This congress has proven one thing: The possibility of doing things. Great examples were given, such as the one of the students from Yaguajay, or the ones from Sancti Spiritus who took responsibility for a hospital, or those who solved the problems of the mountain regions with the resources available. You can see how much we have advanced in many sectors despite the incredible material limitations from 1994 to today. Human creativity will and heroism is truly capable of performing miracles.

I can tell you already that I do not feel pessimistic despite the fact that I can foretell even harsher difficulties, given all the things that are happening. We have to work, struggle hard. Diplomacy has to play an important role. However, the decisive factor is our willingness and capability to resist. That is the decisive factor. That is what will decide things. We have not been defending over 30 years of Revolution; we are defending more than 100 years of revolution, almost 130 years of revolution.

Since fate did not give us a chance to chose our neighbors, here we are, next to those expansionists, warmongers, imperialist chaps. However, I am consoled by the idea that they might think that since they did not have a say-so about their neighbor either, and have not been able to devour us, they have no other choice but to accept us.

Until the day there is peace, a peace with absolute respect for Cuba's sovereignty and independence... [changes thought] We will always demand as much respect for our sovereignty as they demand for theirs. There will be peace because there will be change. We are living in a new world. There is no longer justification for Cold Wars or the like, nor are there reasons to extend NATO to the Russian border; that is mad, absurd, incomprehensible.

We have to put our trust in the American people despite all the poison they have been fed—that is because the more poison you are given, the more immune you become. The human body becomes immune to bacteria, toxins, and viruses. It is said that what is so tricky about the AIDS virus is that it changes constantly. There is no doubt that certain changes are taking place in the mindset of the American people. Many poisonous and toxic products are no longer that poisonous or toxic to the American people. They are seeing this happen before their eyes. I repeat: Many viewpoints are changing. Many mass media outlets are relying on common sense and logic with many problems. Many thinking people are against the upswing of chauvinism and—what do you call it?—xenophobia, there and in many other places. There will be changes, and someday this madness will be replaced by peace, but a peace with dignity, respect, revolution, social justice, with the preservation of all the accomplishments of socialism, and our most absolute right to continue building socialism once the objective circumstances allow us to do so. [applause]

This is what is happening in the international arena. However, we are not the first ones to experience this. You know well how much our forefathers endured, from Cespedes to Marti, and for more than 50 years in the false republic, in the neocolony. They must have suffered a great deal. We understand them, we understand why they began the first war for independence, why almost 30 years later they initiated the second, the deceptions, the lies, the intervention, the turning of our country into a colony. This is why we cannot allow anyone to deceive us, to let anyone turn our arguments around. We have millions of arguments to defend the Revolution, the work of the Revolution, and the line of the Revolution. This is why we found the words of our visitors so encouraging, those who spoke here and expressed their admiration, and urged us to continue fighting. This is what the entire world urges us to do. Everybody everywhere keeps saying the same thing: Resist! Resist! Resist! This is what everybody tells us. To resist means victory. To resist means to win this struggle which as I said before, has been going on for more than 130 years, or longer.

The expansionists in the north have wanted to take over Cuba for more than 200 years. They have always dreamt of taking over Cuba. It is our historic privilege to have thwarted their dream of having the ripe apple fall into their lap. It will never fall, not like a ripe fruit, or like a rotten fruit. We have political maturity, revolutionary maturity. Those who with open mouths for the apple to fall will decompose before the apple becomes rotten. [applause] The empire will rot before the Cuban Revolution does. [applause]

This is why, as you have illustrated here with the enlightened thinking of our most illustrious predecessor, we can proclaim [Jose Antonio] Mella's phrase: Let us live the most solemn hour of history. What would Mella say if he was here? Would he counsel us to give up? [Crowd: No!] He said that even after death we are useful because we serve as flags. How much truth is contained in that phrase. [applause] And what a flag is Mella! [applause]

If we are to fall, let our blood show the path to freedom. You are right, Jose Antonio; your blood is showing us the path to freedom! [applause] You are right, Marti, a thousand times right: We will never complain; we will never become discouraged as ahead lies the sacred work of the Revolution! [applause] Socialism or death! Fatherland or death! We will win! [Crowd: We will win!] [applause]

Weekly Urges Cubans To Defend Spirit of Solidarity

PA2903162695 Havana PRENSA LATINA in Spanish 1653 GMT 27 Mar 95

[FBIS Translated Text] Havana, 27 Mar (PL)—Today, the weekly TRABAJADORES urged Cubans to defend the spirit of solidarity characteristic of the revolution's

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policy, together with the realism and pragmatism the new economic realities have forced Cubans to exhibit.

A TRABAJADORES editorial stated the concept of solidarity is profoundly rooted in the country's strategy, and, therefore, the principles of not abandoning anyone to his own fate and not allowing the burden of the economic crisis to fall on the lower income sectors must go together.

It stated the solidarity we want to promote must consider the labor and social sectors that have the biggest relative disadvantage.

Adding the revolution's key social achievements must be preserved over and above everything, TRABAJADORES stated: "That is what separates us, like an abyss, from the shock measures and the neoliberal formulas in vogue today."

It recalled the state's solidaristic policy becomes evident, among many other forms, in the increased subsidies still applied to a group of basic foodstuffs and the large budget for the health, education, and social welfare sectors.

It is also evident in the protection which new prices and fares give to lower income groups and in the search for nontraumatic gradual formulas to implement the inevitable processes to reorganize the labor force in an effort to protect workers' jobs as much as possible.

The editorial exhorted readers to "think of the country as a whole, to find solutions for the country's production, to help find sources of work, and to promote employment in underutilized industries." These are aspects viewed as "living examples of solidarity."

The weekly's editorial stated the inevitable acceptance of an economy where socialist ways of ownership coexist with others of a private or mixed nature also compels Cubans to recognize that inequalities and differences will broaden, and this broadening could even give rise to privileges and corruption.

In view of this, the conscientious reaction must be our political work, the effort of convincing others so that the workers who receive advantages and incentives, not yet available to others, will generously support the solutions of problems, just as it is being done in the tourism sector.

Roundup of Economic Developments

FL2903173895

[FBIS Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 29 Mar 95.

In Las Tunas Province, 91,000 quintales of products were sold between October and February in the 13 farmers' markets throughout the province. This produced sales of over 21 million pesos and nearly 3 million pesos were collected in taxes. The main products sold were tubers—over 60 quintales—followed by vegetables, rice and pork. (Havana Radio Rebelde Network in Spanish 1000 GMT 24 Mar 95)

Havana City's farmers' markets have sold nearly 102,000 quintales of products since opening in October 94 and up to 19 March. This has represented 27,764,000 pesos worth of sales. (Havana Radio Rebelde Network in Spanish 1000 GMT 25 Mar 95)

Camaguey Province received a donation of 3 tonnes of medical and school supplies from a German Solidarity group. The donation is valued at $12 million. (Havana Radio Rebelde Network in Spanish 1800 GMT 28 Mar 95)

The Antonio Guiteras farm has harvested 25,000 quintales of potatoes. Workers have harvested approximately 6,500 quintales per caballeria, which is unusual due to the type of soil that exists in the area. Success is attributed to the workers' outstanding efforts. (Havana Radio Rebelde Network in Spanish 1800 GMT 28 Mar 95)

Although the amount of outstanding loans by the People's savings Bank has been reduced considerably, at the moment more than 276,000 loans, totaling 157 million pesos, remain outstanding. These must be recovered month by month through the agreed-upon installments. The bank points out that 6.9 percent remain immobilized for three or more months, which means the bank and persons will pay finance charges that will increase their debt. Among the most common reasons for interrupting payments are the swapping of work centers, unemployment, deterioration of social discipline, as well as negligence within the banking institution which impedes expedient processing of papers. The bank is studying changes in its policy in order to modernize it. (Havana Radio Rebelde Network in Spanish 1800 GMT 28 Mar 95)

Guantanamo's 1994 cacao harvest was the worst in the last ten years due to lack of organization and bad weather; however a 32,000 quintales yield is expected in the current harvest, 8,000 greater than 1994. (Havana Cuba Vision Network in Spanish 0100 GMT 29 Mar 95)

The 1,200 member Centenario del Honor group of the Revolutionary Armed Forces is participating in the potato harvest in seven Havana municipalities, and expects to reach its goal of 700,000 quintales by 29 March. Members have harvested an average of 30 sacks per man working seven days a week. (Havana Cuba Vision Network in Spanish 0100 GMT 29 Mar 95)

Pinar del Rio's tobacco harvest is in its final phase. Approximately 500 caballerias remain to be harvested, and workers have harvested 6 million cujes (tobacco drying poles) more than in 1994. Both quantity and quality of the 1995 harvest is very good, in spite of the effects of January rains. Cuban Workers Federation tobacco contingents from San Luis Municipality will

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now begin working on sugarcane planting or harvesting. (Havana Cuba Vision Network in Spanish 0100 GMT 29 Mar 95)

In Corralillo Municipality, Villa Clara, the sugar industry is using methane gas instead of acetylene by tapping old methane gas pockets. On 29 March GRANMA reports that the Sugar Industry Ministry has built a methane bottling plant in Villa Clara, initially capable of producing 50 seven-cubic-meter bottles of methane gas per day. Two more old pockets will be tapped in 1995, which will increase production to 100 bottles per shift. (Havana Radio Reloj Network in Spanish 1500 GMT 29 Mar 95)

Haiti

Opposition Lawyer's Slaying Calls Security Into Question

PA2903164895 Port-au-Prince Tropic FM in French 1200 GMT 29 Mar 95

[FBIS Translated Text] Violence has resurfaced in Haiti just 48 hours before Bill Clinton's visit. The spectacular murder of an emblematic opposition figure—attorney Mireille Durocher Bertin—calls into question Haiti's stability 48 hours before the scheduled arrival of President Bill Clinton and the transfer of authority to the United Nations. The murder, which was committed in broad daylight by a commando unit that escaped easily, clearly shows the climate that U.S. and UN officials have described as safe is, in fact, far from the reality of the situation, even more so considering that the assassination occurred following three weeks of violence that has left 30 people dead and dozens injured.

The political character of the double murder—an attack executed with precision and which simultaneously claimed the lives of the lawyer and one of her clients on 28 March—truly leaves no room for doubt in Port-au-Prince. The streets of the capital have been deserted by its inhabitants. No matter who is behind this attack, and no matter what their motives are—political vengeance or provocation—observers see it as bloody defiance to the recent and somewhat hasty assertions by foreign diplomats in Port-au- Prince, according to whom the problem of security is nothing more than an economic matter.

Bertin Assassination Condemned

PA2903165795 Port-au-Prince Tropic FM in French 1200 GMT 29 Mar 95

[FBIS Translated Excerpt] On the night of 28 March, the Presidency of the Republic condemned the murder of Mrs. Bertin, which it is calling a cowardly assassination. A communique signed by President Aristide's cabinet chief says: Such crimes have been committed in Haiti in recent days, precisely at a time when we are making every effort to maintain and create a climate of security and peace for all Haitians. In the communique, which calls on all sectors of society to remain calm, the Haitian Presidency adds: We are not going to allow criminals to thwart the process of reconciliation and justice or to undermine the establishment of a de jure state, which is so greatly desired by the Haitian people.

For his part, the special representative of the UN secretary general in Haiti also condemned the murder, adding that this odious crime must not go unpunished. Those who want to perpetuate a reign of terror and prevent Haiti from moving toward democracy and progress are condemned in advance, Mr. Lakhdar Brahimi warned. [passage omitted]

'Clearly a Political Killing'

FL2903144095 Nassau Bahamas Radio Network in English 1230 GMT 29 Mar 95

[FBIS Transcribed Text] In an eruption of violence just days before the transition of military power in Haiti, a prominent lawyer with close links to the former military junta was shot and killed Tuesday [28 March] in broad daylight in the capital. According to witnesses, Mireille Bertin, 34, an ardent defender of former military chief Lt. Gen. Raoul Cedras, and a client of hers were shot to death in a car on a residential street. According to U.S. embassy spokesman, Stanley Schrager, she was in a car when she was shot. It was clearly a political killing. Witnesses at the scene said three heavily armed gunman shot at the tires of the vehicle she was driving. The trio then opened fire with machine guns, spraying the white Subaru with several rounds of bullets.

Meantime the United States has condemned the assassinations and said violence should not deter Haiti's political or economic reforms. Just days before the U.S. military—the U.S. multi-national force—are due to hand over responsibility for 6900 UN peace keepers, Haitian President Jean-Bertrand Aristide has asked for and won U.S. assistance in investigating the assassinations.

Assassination Motives Questioned

PA2903175395 Port-au-Prince Signal FM Radio in Creole 1300 GMT 29 March 95

[FBIS Translated Excerpt] As everyone has heard by now, the top news story is yesterday's slaying of attorney Mireille Durocher Bertin. She was shot several times while riding in a car. Mr. Eugene Baillergeau Jr., who was driving the car, also was shot several tir.es at the corner of Delmas Road and Martin Luther King Avenue, near Pouplard Avenue. It was about 1600, and, according to one witness, the car in which Bertin was riding was caught in a traffic jam. The car—a Subaru with the plate number A-3329—was going to turn around when four armed individuals rushed the vehicle and opened fire. A few minutes later, the secretary general of the Movement for National Integration [Mouvement Pour l'Integration Nationale]—a party she had just created—was dead.

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According to Bertin's husband, Bertin had to go to Camp Democracy to finalize work on a case. Her client, Mr. Baillergeau, was having problems with the multinational force after his plane was involved in an accident with a multinational force aircraft. The incident had turned into a major dispute between Bertin's client and members of the multinational force, and this is why they went to Camp Democracy. While she was returning from Camp Democracy, she was shot and killed. Here is her husband, Mr. Bertin:

[Begin recording] [Bertin] Eugene Baillergeau and my wife were going to the airport to discuss the case of a plane accident. They were going to bring a letter to the U.S. military in an effort to settle the damages. They had an appointment at 1600 to discuss the matter.

[Unidentified reporter] Was this attack a settling of scores or a political assassination?

[Bertin] I think you should pose this question to those men wearing blue berets and green uniforms, because the country is in their hands. They should know. They will not let me take the body.

[Reporter] Mr. Bertin, according to one close relative, it seems that for several days you have been receiving phone threats. Might these be related to this crime?

[Bertin] I did not receive any phone threats. However, my wife told me that over the past few days she had the impression that she was being followed. I had been going around with her for several days to see what was going on.

[Reporter] Do you have any description of individuals?

[Bertin] No, I do not have any descriptions. I was not with her this afternoon, because I went to pick up the children from school. I told her to wait for me. She said she would have time to go. Then, this is what happened. [end recording]

We should recall that on 19 September 1994, some multinational force military men blocked Mr. Baillergeau's plane on the runaway of Port-au-Prince International Airport. Mr. Eugene Baillergeau Jr. had hired Bertin in connection with this case. They were both riding in his same car and were going to take a letter to the members of the multinational force, who appeared to be ready to compensate the plaintiff. As of 1830 yesterday, the bodies of Bertin and Mr. Baillergeau were still in the car guarded by U.S. GI's. UN soldiers and interim police officers also were present. It was about 2045 when the multinational force removed the bodies.

Attorney Mireille Durocher Bertin was the mother of four children. At 35 years of age, she was one of the main figures of the opposition to President Aristide. She had accused the country's president of high treason. The attorney's father, speaking from the site of the tragedy, did not hide his indignation. He said, sarcastically:

[Begin Durocher recording] Up with President Clinton! Up with the return of democracy! [end recording]

This is a statement by the father of attorney Durocher Bertin. President Jean-Bertrand Aristide has asked the United States to help find those behind this killing. The U.S. Government has answered this request positively, according to White House spokesman Michael McCurry in Atlanta, who was quoted by AFP. [passage omitted]

The president of the Port-au-Prince Bar Association, attorney Rigaud Duplan, has condemned the assassination and stated that the country cannot continue along these lines.

[Begin Duplan recording, in French] The country can no longer keep going as it is. The lives of professionals are being threatened. Everyone's life is threatened. A situation of violence is prevailing throughout the country. Something must be done to end violence in this country. No one is able to live in peace. Peace and public order must be established. This is unbelievable, this assassination. It is unbelievable that this assassination can happen in broad daylight. [end recording] [passage omitted]

Aristide Denies Supporters Involved

PA3003001195 Paris AFP in Spanish 2245 GMT 29 Mar 95

[FBIS Translated Text] Port-au-Prince, 29 Mar (AFP)—Haitian President Jean-Bertrand Aristide today denied any possibility that the attack that took the life of an opposition figure was perpetrated by his foliowers.

Aristide held a news conference at his private residence and stressed that his supporters were not involved in the murder.

Mireille Durocher Bertin, a 35-year-old attorney, always took an open, public stance against President Aristide, particularly after the 30 September 1991 military coup. Her death and that of Eugene Baillergeau, a client who was driving the car, is the crest of the wave of violence that has left more than 30 people dead in three weeks.

The Haitian president offered condolences to relatives of the victims and emphasized that "we will do everything we can to find the perpetrators."

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Secretariat Appoints Economic, Multilateral Affairs Heads

PA2903193195 Mexico City LA JORNADA in Spanish 27 Mar 95 p 9

[FBIS Translated Text] The Foreign Relations Secretariat has announced it has appointed, as President Ernesto Zedillo has decreed, the general directors who will follow up on and coordinate the Mexican economic and multilateral affairs abroad.

Rogelio Granguillhome was approved as Latin American and Caribbean Economic Relations general director, a post which he has occupied since 1991. Granguillhome was international economic policies director from 1980-89 for the Finance and Public Credit Secretariat (SHCP), where he was also the Mexican executive director at the Inter-American Caribbean Development Bank [Banco Interamericano de Desarrollo del Caribe] until 1991.

Minister [as published] Leandro Arellanos was appointed Asian-Pacific and North American Economic Affairs general director. Arellanos has occupied several posts abroad, including permanent representative before the UN Economic and Social Committee in New York, alternate representative before international organizations in the United Kingdom, and alternate representative before the UN Industrial Development Committee in Vienna.

Meanwhile, Mario Chacon was appointed European, Asian, and African Multilateral Economic Relations general director. Chacon was the cultural and agricultural attache in Japan, economic adviser in Japan and Germany, Foreign Ministry chief of the Mexican embassies in Belgium and Luxembourg, and chief of the permanent delegation before the European Union.

Agustin Garcia-Lopez Loaeza will be in charge of the Economic Analysis general directorate. He was the International Financial Affairs director at the SHCP until 28 February.

Chamber Approves Bank Measure; Deputies Comment

PA2903145395 Mexico City XEW Television Network in Spanish 0430 GMT 29 Mar 95

[From the "24 Hours" newscast—passages within quotation marks recorded]

[FBIS Translated Text] Good news for Mexico's depositors. The Chamber of Deputies approved recently a new bank savings protection measure.

The Chamber of Deputies has decided to approve—by 353 votes in favor, five abstentions, and the dissenting vote of independent Deputy Louis Sanchez—a presidential initiative establishing investment units [UDI's], a new mechanism that will serve to cut high interest rates on loans.

This is the first time since the 56th legislature began its debates that the opposition deputies voted to support a presidential initiative that is economic in nature.

Rosa Maria Sauri Riancho, an Institutional Revolutionary Party deputy, has said the UDI's are mechanisms aimed at overcoming the economic crisis:

[Sauri Riancho] "This measure is not a remedy for all the afflictions plaguing the Mexican economy, but the UDI's are part of an all-out program."

Saul Escobar, a deputy of the Party of the Democratic Revolution, has said, however:

[Escobar] "We say to proceed with the UDI's, but we also contend there is no serious, all-out program that attacks the problem head on."

Labor Party Deputy Joaquin Vela has said the proposal on UDI's is a positive one but somewhat limited:

[Vela] "We believe the initiative incorporates several limitations derived from, first of all, the manner in which it has been outlined and second, from the manner in which it will be implemented."

Rafael Ayala, a National Action Party deputy said:

[Ayala] "It is, simply, a palliative measure, and still pending to be outlined are other measures aimed at supporting wages and at the same time providing fiscal incentives to the productive sectors."

Contrary to other sessions, the debates on this initiative took place amid complete order.

Council Warns Agricultural Sector Needs 20 Billion Pesos

PA2903164395 Mexico City LA JORNADA in Spanish 27 Mar 95 p 45

[Report by Matilde Perez]

[FBIS Translated Text] After stating that the expired portfolios the agricultural sector owes to commercial banks is estimated at 6 billion new pesos, according to figures released by the Mexican Association of Bankers [ABM], the National Agricultural Council [Concejo Nacional Agropecuario] (CNA) warned this sector requires at least 20 billion new pesos to transform its credit portfolios into investment units (UDI's); otherwise, its manufacturing plant will be in jeopardy.

It added the UDI system must not be limited to the conversion of agricultural expired portfolios. It must also expand to grant credits to producers who "have made extraordinary efforts to honor their credit commitments on time."

Thanks to the increase in interest rates and the high cost of money, those producers who have honored their commitments with the banks "are now facing serious risks of allowing their portfolios to expire due to the

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same reason their companies lost operations, therefore, the sector's manufacturing plant is in jeopardy," the CNA maintained.

The lack of profitability the agricultural sector has faced for two decades makes exports, the competitiveness of which is high due to the Mexican peso devaluation, unviable.

The agricultural sector requires a "strong credit lever, which is now small due to the interest rates which are in effect and which are adversely affecting all production activities in Mexico."

In several meetings with national production sectors, ABM President Jose Madariaga Lomeli has said commercial banks will grant 10 billion new pesos in credits to all the country's production sectors this year.

EZLN Proposes 4 Sites for Resumption of Peace Talks

PA2903225395 Mexico City NOTIMEX in Spanish 2003 GMT 29 Mar 95

[FBIS Translated Text] San Cristobal de Las Casas, 29 Mar (NOTIMEX)—The Zapatist National Liberation Army (EZLN) has proposed four possible sites in Mexico City for the resumption of peace talks and the inclusion of five points on the discussion agenda.

In a communique released in this city of Chiapas State, the EZLN suggested Guadalupe Basilica, the Metropolitan Cathedral, the National Autonomous University of Mexico, or the UN office.

The document, which was released Wednesday and signed by "Subcommander Marcos," stated that the four proposed sites "meet the necessary conditions of autonomy and neutrality for holding the dialogue."

The communique, dated 24 March, said the presence of the Mexican Army in the southeastern state of Chiapas, where the EZLN emerged in January 1994, and "its proximity to the towns preclude a direct dialogue in the area."

The armed group, which has been defending Indian and political demands, called for a "stable and lasting truce" and asked for a discussion of "political, social, cultural, and economic topics at the state and national level."

According to the EZLN, the agenda should include detente measures to eliminate the possibility of a resumption of hostilities, a "regional reconciliation agreement, a cease-fire agreement" and the EZLN's "political and social participation."

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El Salvador

Police Disperse Demonstrators Near Presidential Summit

PA3003025095 Paris AFP in Spanish 2244 GMT 29 Mar 95

[FBIS Translated Text] San Salvador, 29 Mar (AFP)—The Salvadoran Police today fired shots and tear gas to disperse a demonstration by disabled Army veterans and former guerrillas who were heading toward the hotel where the 16th Central American Presidential Summit is being held.

The Red Cross reported that it treated 15 people who were beaten or overcome by tear gas, including seven children. One of the demonstrators claimed that several disabled protesters were shot.

Some first aid personnel said they saw bullet holes in vehicles parked at the confrontation site.

Demonstration leaders told local media that some of the disabled people were injured and dozens were arrested.

The protesters, demanding indemnification and other social benefits the government had promised in the 16 January 1992 peace agreements, were attempting to take their demands to the Central American Summit, which began today.

The Police barred the protesters' way, prompting a pitched battle during which passersby were forced to seek refuge from the shots and tear gas.

Approximately 350 National Civilian Police (PNC) agents formed four security rings to protect the hotel where the heads of state are meeting. Following the incident, the Army was called to reinforce security.

Beginning in the early hours on 29 March, hundreds of disabled people gathered at Cuscatlan Park to march toward the Presidential House and demand indemnification. Later that afternoon, the disabled veterans began marching toward the summit site after burning tires and blocking traffic in a major San Salvador thoroughfare.

"The government wants to give us puny indemnification, which is an insult we cannot accept," stated Carlos Batres, a former Special Army Forces sergeant who was wounded in combat with the guerrillas in 1986.

Batres, who is president of the Association of Armed Forces Disabled Soldiers [Asociacion de Lisiados de Guerra de la Fuerza Armada] (Alfaes), warned that "all legal mechanisms have already been exhausted" but the government has failed to satisfactorily respond to their demands.

"If the government fails to keep its word, our country's social climate is in jeopardy," Batres said, announcing that "other actions" would be carried out in the next few days.

According to official sources, more than 15,000 disabled veterans from the Army and former guerrillas are demanding the payment of indemnifications and other benefits.

Guatemala

Alpirez Says U.S. Congressman's Accusations 'Perverse'

PA2903140495 Guatemala City SIGLO VEINTIUNO in Spanish 28 Mar 95 p 2

[Report by Oneida Najarro]

[FBIS Translated Text] We did, at some point, exchange information with intelligence agencies when I worked for the Security Department of the Presidential General Staff (EMP) in 1987, but this information was primarily on drug trafficking and kidnapping, Colonel Julio Alpirez said yesterday.

Alpirez made this statement while categorically replying that under no circumstance had he worked for the CIA and, much less, had he ordered the assassinations of guerrilla leader Efrain Bamaca and U.S. national Michael Devine.

I worked for the Department of Security of the EMP, and providing security to the president of the country and drafting political, economic, and social analyses were part of my duties. My position had nothing to do with the subversive war but, rather, consisted of giving advice to the president, he added.

After giving his statement to Leonel Machuca, prosecutor of the Attorney General's Office, Alpirez said the accusations made against him by U.S. Congressman Robert Torricelli are *perverse and baseless.*

Angrily, Alpirez said that when Devine was killed, he was admitted for duty in the Kaibil Special Forces in Poptun, Peten; therefore, this incident did not take place within his jurisdiction. Even the individuals who were sentenced for being involved in the crime belonged to Military Zone No. 23.

I could have never ordered the assassination of a U.S. national or a Guatemalan, as was Bamaca's case. Consequently, I believe Torricelli will have to provide the relevant evidence, because his remarks have tarnished my honor, my family's, and the Army's, he said.

I regret, he added, that a crime involving a U.S. national occurred; it is a crime for which, as far as I understand, several individuals, who have never incriminated me, have already been tried.

Due to this trial, he said, he was summoned five times to give a statement and was never accused of masterminding the crime.

Alpirez, second commander at La Aurora Military Base, said the prosecutor asked him about events that took

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place in June 1990, the date on which he was assigned to Military Zone No. 18, and in 1992, when he carried out administrative support for the staff.

I have nothing to do with the Bamaca or the Devine cases, much less with the CIA. Furthermore, the day on which the newspaper reports accusing me were published, I immediately asked the highest ranking state body to investigate me in order to clear up the accusations, Alpirez said.

Alpirez said that he was third in command of the 18th Military Zone in 1992, and he could not ascertain whether Santiago Cabrera, a member of the guerrilla forces who has said Bamaca was tortured, was there, because his job there was strictly administrative. Alpirez said: Let him present the evidence.

Intelligence Agencies Maintain Relations Without Affecting the States

Alpirez maintained it is normal for intelligence agencies to carry out an exchange of information, a relationship which does not harm the states' security at any time.

He insisted he has never had ties with the U.S. Government or the CIA, except for his last jobs for the security department of the EMP.

I feel innocent, and because of this, I am here in the MP [Prosecutor General's Office]. I have not abandoned the country, but I feel sad, because I have been experiencing an outrageous situation for five days, Alpirez said.

Reiterating that he never had ties with the CIA, Alpirez said he had not had any communication with the media, because he had to receive authorization from his superiors, as in any other case. Besides, he was waiting for evidence to be presented against him.

The troops, my family, officers, and friends know I have ethical principles and moral values that will not allow me to give an order to commit crimes such as those described by Torricelli, Alpirez stressed.

In addition, he said he reserves the right to take legal action against the congressman, because his lawyers will advise him on that issue. His defense lawyers are former National Police Director Leopoldo Guerra and Julio Contreras.

Alpirez assured he is willing to go to the limit to clear his name and those of the Army and his family, because in his heart *I bear only one name—Alpirez.*

Alpirez invoked God to prove his innocence, and he hopes this situation will not affect his military career, even though the high command trusts him, because his military career has been honest.

Alpirez revealed that Defense Minister Mario Rene Enriquez has ordered him to appear before the MP, the reason why he obeyed the summons issued against him.

Alpirez concluded by saying that he is remaining in his position at La Aurora Base, that he is free, and that the MP will decide whether the evidence presented against him will merit further action before a tribunal.

President Says Alpirez May Sue Congressman Torricelli

PA2903214195 Hamburg DPA in Spanish 2007 GMT 29 Mar 95

[FBIS Translated Text] Guatemala City, 29 Mar (DPA)—Guatemalan President Ramiro De Leon Carpio said today that Colonel Julio Roberto Alpirez may sue Democratic Congressman Robert Torricelli, who accused the military officer of murdering a guerrilla leader on the orders of the U.S. Central Intelligence Agency (CIA).

De Leon Carpio, who received Alpirez at his office, told journalists that the colonel is entitled to file criminal charges in Guatemala against Torricelli, one of the most influential politicians in the United States, "for libel, slander, and other applicable offenses."

"He may also file suit in the United States for damages (the Democrat legislator) caused to him and his family," De Leon Carpio stressed.

Alpirez denied having reached an accord with the CIA and being behind the murder of U.S. citizen Michael Devine. Devine was gunned down in 1990 in the northern jungles of Guatemala after inadvertently uncovering a contraband case involving military personnel, according to Torricelli.

The colonel, who two weeks ago appeared before a special prosecutor, rejected the U.S. congressman's accusations that in March 1992 he had executed Efrain Bamaca, a high-ranking Guatemalan guerrilla fighter who was being held without benefit of a trial.

"We are sure that (Alpirez) had nothing to do with the death of Devine. Regarding the report of his ties with the CIA, there is no evidence to compromise him," De Leon remarked, saying that "institutionally" there is no illegal dealing with the U.S. agency.

The president also said that "the serious problem is in the United States, because the accusation against the CIA (of acting outside the law in Guatemala) has unleashed a worldwide scandal."

"We will deal with the matter under our jurisdiction with the appropriate juridical instruments, as we have said, but the CIA must say if it has acted illegally in Guatemala," the president added.

Regarding the Bamaca case, De Leon Carpio asserted: "I can say with great satisfaction that the truth I always spoke as human rights ombudsman and president of the Republic has surfaced: He (the guerrilla) is dead, and there are no clandestine jails here."

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The president explained that "Bamaca died before I became president (in June 1993), as acknowledged by Mrs. (Jennifer) Harbury," a U.S. attorney and Harvard graduate who claims to be the wife of the URNG [Guatemalan National Revolutionary Unity] leader.

Harbury, who plans to return to Guatemala soon to demand the remains of the guerrilla, said she was "annoyed" by the fact that Alpirez has not been arrested, according to a U.S. attorney who represents her.

The Guatemalan Prosecutor's Office is studying Alpirez' testimony, and special investigator Leonel Machuca will soon travel to the United States to hear Torricelli's version and that of a rebel who claimed to have seen Bamaca alive in a military prison.

An additional 24 Guatemalan officers, including Defense Minister General Mario Enriquez, will have to testify before the prosecutor investigating the deaths of Devine and Alpirez, according to news reports.

Meanwhile, the Foreign Ministry confirmed today that about 10 Harbury "supporters" who occupied the Guatemalan Consulate in San Francisco yesterday were evicted by police.

The Guatemalan diplomats have been instructed to prevent similar incidents, for which Harbury is blamed, in Guatemala City.

Further on De Leon's Comments

PA2903233095 Guatemala City Teleonce Television in Spanish 1900 GMT 29 Mar 95

[Report on news conference by Guatemalan President Ramiro De Leon Carpio with unidentified correspondents on 29 March; place not given; from the "Telepress" newscast]

[FBIS Translated Text] President Ramiro De Leon Carpio said today that Julio Roberto Alpirez may sue U.S. Congressman Robert Torricelli in Guatemalan and U.S. courts if he considers it appropriate.

The president met with Col. Alpirez this morning, two days after he testified at the Attorney General's Office, where he gave a deposition on statements made by the Democrat congressman on Alpirez' alleged ties to the CIA regarding the murders of guerrilla leader Efrain Bamaca and U.S. hotel businessman Michael Devine.

De Leon Carpio said today that if there were a link between Col. Alpirez and the CIA, despite the denials by the military officer, the Guatemalan Government knew nothing about it.

[Begin recording] [De Leon] The Guatemalan Government and Army cannot know about anything illegal without reporting it, so the answer is no. We did not know, nor is it true, that there was any institutional link between the Guatemalan Army and the U.S. intelligence services. That is false.

I met with Col. Alpirez this morning and informed him that he is entitled to file criminal charges against the U.S. congressman here for libel, slander, and related offenses, as well as before U.S. courts for damages to him and his family. This is at the individual level.

As part of our investigation, we are confident he had no participation in the death of Mr. Michael Devine. That is according to our investigation. Now, regarding his alleged involvement with the CIA, [words indistinct] deny flatly [words indistinct] Army or government members participate in intelligence missions. This is based on information supplied by the Prosecutor's Office. The CIA has denied the allegations made by Congressman Torricelli. In the case of Col. Alpirez, it has refused to comment.

This means there is no evidence to charge him or the CIA with the offense. He flatly denied the charges yesterday before the Attorney General's Office.

For us, the legal proceedings must continue. I can guarantee you that according to our investigation, he had nothing to do with the death of Mr. Devine.

Regarding the Bamaca case, I can say with great satisfaction that the truth I have always spoken as human rights ombudsman and as president of the Republic finally surfaced. I said he was dead, according to my investigations as human rights ombudsman and now as president of the Republic. Today it has come to light that he is dead.

This means that I always truthfully said that there are no clandestine prisons here, that he died before I became president of the Republic, and that he was not illegally imprisoned or detained. That is a fact. It was accepted by Mrs. Harbury. Therefore, I say to you that this case and hundreds of other cases should be studied by the Ad Hoc Commission that will clarify past events. The government and the guerrillas agreed to create this commission as part of the peace process.

Now there is a big problem because the accusation of being a member of the CIA is a worldwide scandal. The CIA will have to answer to Congress for this. In fact, it has responded by denying the accusations and refraining from comment on the case of Col. Alpirez. The CIA flatly denied Congressman Torricelli's accusations.

[Correspondent] [Words indistinct]

[De Leon] Prior to that, I just want to say that I ordered the Guatemalan Government, specifically the foreign minister, to request all necessary information. We hope to receive the basic elements because as of yet we do not have any evidence, only an accusation by a congressman who has not presented any evidence. All we have is a accusation against the CIA, which has denied it. Therefore, we don't have anything. That is why, we, the government and Army, are interested in obtaining such information.

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[Correspondent] [Words indistinct]

[De Leon] The response is precisely that, manipulating people who occupied the Consulate. But action is taken quickly there. I believe they were there only a few hours and the security people removed them immediately, as mandated by law. This is one more incident; they were evicted by security forces. I don't know if they were U.S., Vietnamese, or Guatemalan citizens. The fact of the matter is that they were people who undoubtedly knew about this case. They occupied the Consulate illegally, and the security forces resolved the situation immediately.

[Correspondent] [Words indistinct]

[De Leon] We are assessing that, because no accusation has been made against the Guatemalan State. An accusation was made against the CIA, and the CIA will possibly take legal action. The CIA may be in a position to sue the congressman because no charge has been proven.

In our case, the accusation was made against one individual, one military officer, who is entitled—I explained this to him personally—to file criminal and civil charges against the congressman. It may be a suit worth millions of dollars. But the Guatemalan State as such has not been accused of anything. The congressman just accused one military officer and the CIA, which already denied the charge.

[Correspondent] Will the government support any action Col. Alpirez may take against the congressman?

[De Leon] That would be an individual action; an action presented by him individually because he is the one who has been affected. If there are no grounds for the accusation, Alpirez has the right to file suit as a private citizen. I reiterate: The accusation was not made against the Army or the Guatemalan State but against one person. [end recording]

Panama

Poll Shows Support for Continued Presence of U.S. Bases

PA2903215895 Panama City LA PRENSA (PULSO DE LA NACION Supplement) in Spanish 28 Mar 95 p 15

[Unattributed report on a public opinion poll "with a maximum margin of error of about 3 percent" conducted by the Dichter and Neira consulting firm among 1,212 people ages 18 and older in all provinces of Panama 17-19 March]

[FBIS Translated Excerpt] **Do you or do you not want the U.S. military bases to stay after the year 2000?**

The majority of those surveyed, 69.5 percent, want the U.S. military bases to remain on the shores of the Panama Canal. In December 1994, 67.7 percent of those polled supported the continued presence of U.S. military bases. In the latest opinion poll, 17.4 percent said they do not want the bases to stay, while in the previous poll, 24.2 percent opposed the continued presence of the bases. The current response level represents a 7 percent decline from the previous figure.

Most of those surveyed (75.5 percent) who agree with the presence of the military bases live in Panama Province, while those in the interior who also share this opinion comprise 63.3 percent. Most of those who agree with the presence of the bases, 74.3 percent, are age 50 or older. More women (71.7 percent) than men (67.2 percent) want the bases to stay.

The U.S. Government maintains more than 10 defense sites in Panamanian territory. The U.S. bases are scheduled to be dismantled by 31 December 1999, according to the Canal Treaties signed in 1977. [passage omitted]

Attorney Demands Immediate Release of Pedro Gonzalez

PA3003043895 Panama City Circuito RPC Television in Spanish 2300 GMT 29 Mar 95

[Report by Hugo Enrique Famania from the "RPC Television News" newscast]

[FBIS Translated Text] The Prosecutor's Office is studying a petition requesting the immediate release of Pedro Miguel Gonzalez. Carlos Carrillo, Gonzalez's legal representative, asked the Fourth Prosecutor's Office to immediately release and definitively dismiss the charges against his client. Gonzalez was accused of murdering U.S. soldier Owen Zak Hernandez in 1992. Carrillo says he has grounds for his petition..

[Begin Carrillo recording] Pedro Miguel is absolutely not linked to the murder. In addition, we have asked the Judicial Technical Police [PTJ] to explain why it failed to include evidence favoring our client in the case. [end recording]

In addition to these fraudulent omissions, the lawyer argued that eyewitnesses to the murder who supported his client were afraid to give depositions. The fraud, in Carrillo's opinion, involves investigators who no longer work for the PTJ and whose names he will make public in due time as he files legal complaints. Carrillo expects the Prosecutor's Office to make a decision on his petition shortly.

[Begin Carrillo recording] He must be immediately released within the next few days, and the charges must be dismissed as soon as the investigations conclude. [end recording]

Lawyer Carrillo added that the U.S. Government's indictment of his client is groundless, because Panama has legal sovereignty over events occurring in its territory.

The U.S. Embassy has refused to comment on the case, saying it is in Panamanian jurisdiction. However, a

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source linked to this diplomatic delegation said the U.S. Government truly believes justice will be done in this case.

Perez Balladares, Foreign Minister on City of Knowledge

PA2903140895 Panama City Telemetro Television Network in Spanish 1730 GMT 28 Mar 95

[Report by Axel Rivera from the "Telemetro Reports" newscast]

[FBIS Translated Text] President Ernesto Perez Balladares and UNESCO reviewed the advantages of the City of Knowledge.

President Perez Balladares held a luncheon for the UNESCO representatives gathered in Panama. He took advantage of the meeting to introduce the university project known as the City of Knowledge.

[Begin Perez Balladares recording] We are going to use the installations that will revert to Panama to turn the City of Knowledge dream into a reality. We are studying ways to make use of the electronic infrastructure to increase the people's access to information and especially to quality education. Those are the topics that should launch the country into the 21st century without having to wait to have the great professors some developed countries have. We can learn from those great professors in Panama through the use of electronic communication. [end recording]

The City of Knowledge will be a 500-hectare university complex between downtown Panama City and the Panama Canal with the necessary installations to establish international centers for higher learning and specialized studies. It would be opened to students and professors of all nations, especially Latin American and Caribbean nations.

According to Foreign Minister Gabriel Lewis Galindo, this project should generate significant contributions to the national economy.

[Begin Lewis Galindo recording] We have everything. This is not a utopian idea. The areas that will revert to Panama have the natural facilities of a university campus. There are dormitories for students, houses for professors, recreational areas, and classrooms. That is what a military base is. It has all the requirements for a university campus. [end recording]

UNESCO has been holding a regional meeting in the island of Contadora for the past three days, in which the topic of Latin American integration is being discussed. In addition to UNESCO Director General Federico Mayor Zaragoza, those present were former Mexican President Miguel de la Madrid, former Uruguayan President Luis Humberto Lacalle, as well as Gabriel Garcia Marquez, the Nobel Literature Prize laureate.

[Begin Mayor Zaragoza recording] Students can come to Panama to specialize in a series of fields and skills. This could not only make Panama a place where two oceans converge, but a meeting place for students from all parts of the world. [end recording]

The Knowledge Foundation [Fundacion del Saber] and the UNESCO representatives will sign a document this morning in which the international organization will adopt the City of Knowledge as a project.

City of Knowledge Agreement Outlines Goals

PA2903140595 Panama City Circuito RPC Television in Spanish 2300 GMT 29 Mar 95

[Report by Alvaro Alvarado from the "RPC Television News" newscast]

[FBIS Translated Text] President Ernesto Perez Balladares, UNESCO Director General Federico Mayor Zaragoza, and Knowledge Foundation President Fernando Eleta Almaran, today signed a document which outlines the main technical and intellectual agreements regarding the City of Knowledge. The signing of this document seeks to organize the efforts currently under way in the country to convert what have historically been U.S. military bases into hemispheric centers for higher learning .

In this way, our childrens' knowledge regarding the challenges of the future in various fields of knowledge may be expanded.

[Begin Eleta Almaran recording] Evidently, we have have optimum, established dates regarding the return of the reverted areas—in this case primarily Albrook Field. Here we will be able to locate not only the University, but the centers for study which are envisioned, and be able to work together, undergoing various experiences and gathering the knowledge that will enable Panama and the continent to pursue a better life for its people. [end recording]

According to the letter of intent, UNESCO will help the City of Knowledge raise international resources. President Ernesto Perez Balladares reiterated that the City of Knowledge project is meant to create a center for specialized training and study of the environment.

[Begin Perez Balladares recording] The goal is to develop cultural exchanges and technological and scientific research in order to achieve major benefits for Panama and all the members of the international community that decide to join the project. [end recording]

The City of Knowledge is envisioned as an international educational complex of universities and study and research centers in the most advanced fields of science and technology.

The City of Knowledge is expected to serve 20,000 Panamanian and international students.

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Argentina

Menem on 14 May Election, Other Issues

BR3003081195 Rome L'INFORMAZIONE in Italian 29 Mar 95 p 15

[Report by Angelo Maria Polimeno on Argentine President Carlos Menem remarks to journalists in Buenos Aires; date not given: "'I Will Win for My Son's Sake'"—first paragraph is L'INFORMAZIONE introduction]

[FBIS Translated Text] Relations between Italy and Argentina; the Argentine presidential election scheduled for 14 May; economic development and fears of a relapse triggered by the crisis in Mexico; the problem of the desaparecidos; the tragedy suffered a few days ago with the sudden death of his son following a helicopter accident; the strong ties of friendship with [soccer player] Diego Armando Maradona, who has been a comfort to him and his family at such a difficult time. Shortly after his meeting in Buenos Aires with [Italian] Foreign Minister Susanna Agnelli, President Carlos Menem addressed all these topics in a long interview with the correspondents of a select group of newspapers, L'INFORMAZIONE included.

[Correspondent] Mr. President, Italo-Argentine cooperation has slowed considerably in recent times. Did you discuss this with Ms. Agnelli?

[Menem] Of course. We agree with Ms. Agenlli as to the need for a rapid resumption in bilateral relations. There have been problems to date. In addition to the crisis here triggered by the situation in Mexico, the events of which we are all aware have taken place in Italy. For example, the "Clean Hands" affair and the political upsets have had repercussions here as well.

[Correspondent] The presidential election will be held in Argentina in a few weeks' time, and you are running for a second term. What is your forecast?

[Menem] My victory is already a foregone conclusion. Unless I commit enormous blunders in the last few days of the campaign, I already have it in my pocket. Indeed, I have nothing short of a "feeling in my bones": I will win outright in the first round with a 20-25 percentage point lead over the runner-up. I am certain of it, because the alliances opposing my party are way out of touch with how ordinary people feel.

[Correspondent] All the same, according to the opinion polls, it cannot be taken for granted that you will win outright in the first round. Bordon could make it to the play-off with you.

[Menem] I rule it out completely. Alvares and Bordon are not Peronists, so their voters will not follow them. The opinion polls have got it wrong. I am quite sure that the Frente Grande will achieve only 18, not 25 percent.

[Correspondent] And on what percentage can you rely?

[Menem] I am sure that the radicals, and not the Frente, will come second behind me. In the end, I will win 45 percent, the radicals 22, and Bordon between 15 and 18 percent.

[Correspondent] Your great merit has been that you have brought stability and prosperity to Argentina, but the opposition is attacking you on two main fronts: the desaparecidos and the wide social differences created by your reforms.

[Menem] The truth of the matter is that there are a lot of "picaros" (cunning people—L'INFORMAZIONE) who go about spreading stories that are actually common knowledge, like the story of the lists. There are no names that can be added for the simple reason that the burning of the lot was ordered in a decree. The truth is that the Left is trying to turn the victims into culprits. And I am the victim. I have spent five years of my life in prison and been proscribed for 25 just because I was a Peronist.

[Correspondent] And what about the social problems?

[Menem] I will address the matter during my next term, but the results are already good in this field. Anyway, we will turn good results into excellent ones. One example: poverty. When I became president, 37 percent of the population was living in a state of poverty. Only 11 percent are in the same condition today, and even this figure is falling.

[Correspondent] What is your recipe for solving the unemployment problem?

[Menem] There is no choice. Labor costs have to be cut, and in order to do so we need laws providing for a high degree of flexibility. We have to help small and medium-sized businesses, for example, which are one of Italy's great strengths and which must increasingly become one of Argentina's.

[Correspondent] The crisis in Mexico. Does Argentina have a great fear of contagion?

[Menem] The problem has largely been overcome. I would not have given such an optimistic answer 10 days ago; the banking system was disintegrating. But now, thanks to foreign aid ($11.4 billion—L'INFORMAZIONE editor's note), from the International Monetary Fund and the World Bank in particular, we are back on the road to recovery. People have started depositing their savings with the banks again. The stock market is rising: It gained 6 percent today. The prime rate stands at 8 percent. Inflation is running at zero level, and will soon fall even below zero. But deflation will not open the door to recession. We have great potential for the future.

[Correspondent] How did you manage to bring stability to the country?

[Menem] The rules are the same the world over. All countries can go through more difficult times. Italy, in spite of being the fifth economic power in the world, is one example. I can say that the Mercosur is of great

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importance to us. Brazil, Uruguay, Paraguay, and ourselves initiated this agreement, which is not merely a community of countries for trade purposes, but a regional structure that is projected toward political and economic integration and intends to work and deal with other structures of the same type throughout the world.

[Correspondent] Still on the subject of stability: Does the Argentine military still represent a threat?

[Menem] Definitely not. The armed forces have been completely reformed thanks to the committed efforts of the chief of army staff, who is also the president of the republic. Since I have been in power, there has been a single attempt at insurrection (the revolt of the carapintadas in December 1990—L'INFORMAZIONE), which caught us neither by surprise nor off our guard. We crushed them, tried them, and condemned them to life imprisonment. Apart from previous offenders, some were even pardoned at a later stage.

[Correspondent] You suffered a great bereavement a few days ago. Has this tragedy not discouraged you from running in the election so as to spend more time at home with your family?

[Menem] If I withdrew now, I would betray my son's memory. I have been through a lot of dark times in my life, but this has been the worst. Last Wednesday, immediately after his death, I said I would be back in my office the following Monday. And I was, because I want to carry on with my work for the good of the country and in honor of Carlito. [Menem ends]

At this point, Carlos Menem, who was already visibly worn out by the tragedy, had great difficulty in not giving way to emotion, and in order not to betray his feelings, he changed the subject immediately, putting a question to the Correspondents seated round a table in a large reception room at the Casa Rosada. "Now, you tell me: How are the Argentine players Battistuta and Balbo faring in Italy? How did they play on Sunday?"

[Correspondent] Nothing to report, Mr. President. The Italian championship was suspended on Sunday. You give us news of Maradona instead.

[Menem] Yes, I am on excellent terms with Diego. He really is a good friend. He has been a great comfort to me lately. Yesterday he took my wife, Zulema, and my daughter out to lunch. And when Carlito had his accident, he kept vigil all night with me and my family.

Government Asks Ecuador To Report on Arms Cargo

PY3003034495 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1933 GMT 29 Mar 95

[FBIS Translated Text] Buenos Aires, 29 Mar (NA)—Eduardo Bauza, the secretary general of the presidency, has announced that the Argentine Government has decided to officially ask the Ecuadoran authorities to report if the weapons that were shipped to Venezuela in February "have actually remained in that country."

Bauza added that, if the shipment has been diverted to Ecuador, as was reported slightly more than two weeks ago, the Ecuadoran Government will be asked "to return the weapons."

In remarks made while leaving the Government House, the secretary general of the presidency emphasized that the petition to the Ecuadoran authorities would be formalized through the Foreign Ministry.

While supporting the measure, Bauza indicated that the final destination of the arms shipment has still "not been" accurately "established" and that, for this reason, the Argentine Government "would send a note, asking Ecuador to report if the weapons have remained there."

For the time being, Attorney General Angel Aguero Iturbe is conducting an investigation to determine possible responsibilities on the part of Argentine officials in the diversion of weapons that allegedly arrived in Ecuador at a very difficult moment of the armed conflict between Ecuador and Peru.

The government contends that the U.S. company Hayton Trade, involved in carrying the weapons, allegedly diverted the 75 metric tons of arms and ammunition that arrived in Guayaquil.

In addition to this case, a report was made last weekend, stating that Argentine weapons had allegedly been loaded on a ship bound for Croatia, where Argentina is participating in the peace operations sponsored by the United Nations.

After announcing Argentina's petition to Ecuador, Bauza said that, for the time being, "there are no resignations or replacements" of government officials following the controversy prompted by the operation.

Bauza emphasized: "The respective ministers will have to decide on the responsibilities of the government officials who were or were not aware of this issue."

Bauza indicated that, in his opinion, "this depends on whether the government officials were or were not aware of the destination" of the weapons.

It was leaked today that one year ago, the government authorized the General Directorate of Military Industries "to be more flexible" with regard to the operations linked to weapons transactions with foreign countries, involving "a sales policy of not waiting for purchase orders, but aggressively seeking orders and markets."

A report published by a Buenos Aires newspaper today indicates that the authorization was issued following an application that Military Industries (FM) Trustee Luis Sarlenga sent to Defense Ministry Planning Secretary Guillermo Etchechoury on 15 February 1994.

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In the application, Sarlenga told the Defense Ministry planning secretary that, "as you are aware, the historical conditions under which this General Directorate has been marketing its products have substantially changed recently" because "other market conditions and a great competition prevail."

Therefore, the FM trustee asked permission to implement "a sales policy of not waiting for purchase orders, but aggressively marketing weapons."

Another point in the application recommended "marketing through the participation of the best official distributors in exchange for representing" Argentina in the operations.

This opening could have allowed the government to contact companies like Hayton Trade, which acted as a go-between in the shipment of weapons that allegedly had been sold to Venezuela, but actually arrived in Ecuador.

Concerning the shipment of Argentine weapons that allegedly are bound for Croatia, where Argentina has 800 men who have joined the UN peace forces, it was leaked that the UN Committee that is operating in the former Yugoslavia has already reportedly been notified to take the appropriate measures and prevent the unloading of the shipment.

A close look is being taken at the foreign companies that participated in the controversial operations, Hayton Trade and Debrol, Inc., which, by happenstance, have the same address in a building in downtown Montevideo.

Finance Secretary on Fiscal Adjustment

PY2903132895 Buenos Aires LA PRENSA in Spanish 26 Mar 95 pp 2, 3

[Interview with Finance Secretary Ricardo Gutierrez by unidentified LA PRENSA reporter; place and date not given]

[FBIS Translated Text] [LA PRENSA] You have repeatedly said it is impossible to cut government spending more than what has already been done. Does this mean no more curbs on spending will be ordered in 1995?

[Gutierrez] I am not saying we cannot implement more cuts. I am saying that 40 percent of expenditures goes to pay pensioners, 8 percent to service the external debt, and 30 percent goes to the provinces, so we only have 12 billion pesos left for the Federal Government, of which 7 billion are spent in salaries. What is left at our disposal is 5 billion pesos, which have just been slashed by 2 billion pesos. Bearing in mind public works and bodies like the General Directorate of Taxation, the Armed Forces, the Judiciary, etc. are included in these expenses, there is not much leeway for more cuts. To further cut spending we will have to seriously consider modifying the fiscal ratio between the Federal Government and the provinces, or eliminating agencies that do not conform with the current role of the state. By eliminating them, or by merging them with others, we would reduce the number of civil servants and eliminate bureaucratic expenditures.

[LA PRENSA] Are those measures being analyzed?

[Gutierrez] We have not yet tackled that issue. It will be fully addressed when we begin to draft the Law on Ministries, which will come into force in July. The General Secretariat of the Presidency last week convened a meeting to analyze the reform of the state. This was the first in a series of meetings to generate 150 million pesos in savings.

[LA PRENSA] Is this the sum of the budget cuts proposed by the Public Function Secretariat ...

[Gutierrez] Yes, but we still have to analyze that proposal and see if other authorities agree. It is my considered opinion that to structurally eliminate public spending, we must phase out agencies and programs right away instead of reducing expenditures. By doing this we can avoid the boomerang effect that sometimes follows cuts, causing expenditures to eventually outstrip the initial savings. We are trying to reduce superfluous and inefficient expenditures and to increase government revenues by cracking down on tax evasion.

[LA PRENSA] What is the general idea for the fiscal balance?

[Gutierrez] We will collect special revenues through a 3-percent VAT increase combined with spending cuts. These cuts will be achieved through salary reductions, and operation and capital expenditure cuts. Revenues will naturally drop after this 3-percent VAT increase ends. We must try to increase revenues via a struggle against tax evasion.

[LA PRENSA] In light of the downward trend in the collection of revenues during the first two months of this year, is it still possible to expect a 2-billion peso surplus as promised to the IMF?

[Gutierrez] The fall was prompted by the capital market shutdown. Many companies and professionals decided to finance themselves by not paying their taxes. As the financial carousel—which operates through the banking system—recovers, the problem will be overcome.

[LA PRENSA] What will happen to the IMF's monitoring if a deficit is reported in the first quarter?

[Gutierrez] Our commitment is to achieve a 2-billion peso surplus during 1995. Quarterly programs are prepared for the IMF, but there are margins for deviation in these programs. If a deficit is reported for the first quarter, we must achieve greater surpluses in the following quarters to offset it and achieve the target.

[LA PRENSA] Will this not hinder future disbursements?

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[Gutierrez] No. We drew up a reasonable program of public accounts to which now we have added the 3-percent VAT increase. There will be no problem in meeting these targets because they are very realistic as far as revenues and expenditures are concerned.

[LA PRENSA] You said the solution is to eliminate tax evasion, but with moves like the VAT increase things seem to be going backwards.

[Gutierrez] We admit that the trend in January, February, and perhaps March shows there is a problem, but there are already signs of recovery. The problem in the capital market has been overcome and economic activities—especially in the banking system—have begun to return to normal. Electrical energy consumption has been our best indicator of real activities over the past few months. This indicator is increasing year after year. Electricity consumption has increased by 8 percent in the past three months. It is the only objective economic activities indicator at this time. Revenues dropped, but the real economy continues to grow. Savings, the investment rate, production, and exports continue to grow. So, where is the problem in the real economy?

[LA PRENSA] The financial system could be used as an indicator. An economy without credit does not work.

[Gutierrez] Correct, the financial crunch essentially affects companies working with lines of credit, however, the impact on macroeconomic indicators has so far not been felt. We will see if other indicators reflect this reality. The indicators we have show that the macroeconomic aspects of the real economy continue to operate at the same level as last year. It is true that a healthy banking activity is essential, and this activity has started to recover. I am very optimistic about the situation once we overcome this period. I think we will have an economic boom in the second semester of the year.

[LA PRENSA] Do you expect consumption to reach last year's levels? What are the Economy Ministry's expectations?

[Gutierrez] We have just started measuring consumption levels. We wish people would consume less and save more. The savings-investment-production cycle has proven to be fully operational. We hope the item internal saving compensates the reduction in foreign investments.

[LA PRENSA] It is still not clear how loans from multilateral organizations will come into the country, and what will be the priorities once the money starts arriving.

[Gutierrez] The situation is very clear for us. First, we must understand that the money will come and will be available to cover our needs. A global analysis shows that first we must find the $5.2 billion needed to service the debt of the nonfinancial public administration. We plan to pay this debt during 1995 using the 2-billion peso global surplus, plus the ordinary disbursements of multilateral organizations, plus the revenue from the sale of shares in our portfolios, among other things.

[LA PRENSA] Let us talk about deadlines without considering March. How will the Economy Ministry face its April, May, and June obligations?

[Gutierrez] In the second quarter we will spend the surplus achieved during the period on IMF disbursements, the proceeds from privatizations, and other funds that are already available. We have a certain margin for maneuvering. If we have a 15 day transitory need in one area we can use funds from other areas, temporarily.

[LA PRENSA] The matter is whether the financial flow can be used by the Economy Ministry to assist the financial system, which is in great need of liquidity, while allowing it to pay its obligations due in April and May.

[Gutierrez] Of course we can. We can temporarily use the $2 billion disbursed by the IMF to increase Central Bank reserves. Nothing forbids us from doing that. All that matters is that we fulfill our goals by the end of the year. Our flow schedule has been arranged to allow us to fulfill our obligations. The first IMF disbursement will enter during the first part of April. On 3 April, we will start receiving funds from the entrepreneurial bond. During April we will also receive money from the privatization of the Futaleufu dam.

[LA PRENSA] If Argentina had accepted the disbursement of the last two installments of the Extended Fund Facility [EFF] at the end of last year, would we not have been spared many headaches?

[Gutierrez] First and foremost, Argentina never turned its back on the IMF unilaterally. It only agreed to forgo receiving $420 million at the request of the IMF in January 1994. We could not have foreseen then how things would turn out in December 1994.

If someone were to say: "You did not foresee the effects of the Mexican crisis a year in advance," naturally, I would have to agree. Not one economic analyst in the world said: "Watch emerging markets because if an important one collapses there will be generalized mistrust of them all." The Mexican crisis, compounded by the increase in interest rates in the United States—a very safe country with a well-earned credibility for capital—just fanned the flames.

The total closure of capital markets in January and February would not have been offset through the disbursement of the two last EFF installments. There was a complete and absolute lack of inflow of international capital into the country. This notwithstanding, Argentina survived this first quarter by making a major effort to balance its fiscal accounts, thus achieving big savings on government accounts.

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The latest trade balance figures confirm what [Economy] Minister [Domingo] Cavallo said throughout 1994—so dogmatically until events proved him right—that when capital ceased to come into the country, the trade balance would adjust itself.

If there is a resumption of capital inflow, imports will once again outstrip exports because there will be more investments and importation of technology that one has to pay.

[LA PRENSA] Gutierrez is not afraid of "hot money." He let it slip that "while the hot money was in Argentina, it helped to achieve the levels of growth we have sustained over the last four years. If it returns, it will be welcome."

The finance secretary pointed out that to attract capital—whether in investments, speculation, the purchase of securities, or marketable obligations—Argentina must enjoy credibility and solvency. He is convinced the measures the Menem administration has adopted could not be better.

He asserted: "We must show to the world that Argentina can ward off a crisis as serious as the one hitting Mexico by implementing timely and independent policies with a good dose of political daring."

Gutierrez said this attitude will make Argentina stand out and, as a result, will no longer be seen as an emerging market in Latin America, "but rather 'Argentina' with proven ability and great daring in the face of capital flight."

Gutierrez said this is a distinction the world has already conferred on Chile for having adopted an independent and serious line of action during the 1982 debt crisis. The Economy Ministry expects to achieve a similar distinction. Concluding, Gutierrez said: "We expect Argentina will become known in the financial world in 1995 as Chile was back in 1982."

Bolivia

President Terms Alternative Development Plan 'Failure'

PY2903163895 La Paz PRESENCIA in Spanish 23 Mar 95 p 7

[FBIS Translated Text] Sustainable Development and Environment Minister Luis Lema has reported that most resources earmarked for Chapare have not been directly used for investments in alternative development but for operations and personnel.

According to a report, economic cooperation from the United States, Bolivia, and the United Nations in Chapare totaled $221.2 million between 1983 and 1994—some $20.5 million yearly or $167 per capita. This includes compensation for eradicated coca crops, salaries and fees for government officials and national and international consultants, and payments for costly projects which did not yield the expected results.

Minister Lema said: "Investments in Chapare have been great, but the results have been very poor."

Lema said: "Most resources were not used directly as investments but as operational expenses. State and international organization support mechanisms usually have very high personnel costs."

The minister said that between 1983 and 1994, a total of $207.6 million was invested in Chapare, of this, $116.7 million was used for investments in several projects; $42.7 million for operational expenses and salaries; and $48.1 million for coca eradication compensation.

Thus, operational expenses and salaries represent 36 percent of the overall cost.

The minister favors reviewing the alternative development policy and evaluating projects that were implemented with resources granted by USAID, the United Nations, and the Bolivian Government.

He said his ministry will create a technical team to follow up on projects and monitor their results.

The current ministerial impression is that sustainable development has yielded very meager results because important aspects have not been considered—among them municipal betterment, territorial occupation, the specific promotion of production sectors, and the need for a market for alternative products.

Lema said there are 50,000 hectares of alternative crops in Chapare, which are still at the pilot stage but which need research to establish the possibilities of producing value-added products.

Lema said Chapare requires an overall development program to solve the population problems of more than 100,000 inhabitants who face structural socioeconomic problems. He said: "This requires international cooperation, which is important for the country."

A few months ago President Gonzalo Sanchez de Lozada said he believes the alternative development plan is a failure.

Bolivian experts have said the reasons for this must be studied.

Lema said: "Any investment, regardless of the results, always provides experience for the future."

Sanchez Seeks Surplus Coca Eradication Without Violence

PY3003014495 La Paz PRESENCIA in Spanish 22 Mar 95 p 1

[FBIS Translated Excerpt] Yesterday President Gonzalo Sanchez de Lozada asserted that his government will apply the laws currently in force to eradicate illegal and surplus coca plantations and urged the coca growers of

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Chapare to reach agreements with the government so that the eradication in the zone can be done by consensus and in a peaceful manner.

During a brief chat with the media, he said that the government is carrying out an aerial photograpic survey to determine the extent of the illegal and surplus coca plantations.

He noted that there are three types of coca: the legal coca, temporary coca crops (Chapare), and illegal coca plantations. The illegal coca is grown in areas banned by law and must be eradicated, said Sanchez.

The president added: "We must reach a consensus, hopefully with the coca growers, so that the eradication can be coordinated, without the need to apply any other methods. The law, however, must be respected."

While the president was making these comments, a meeting between coca growers and government representatives was set for 4 April to design a consensus policy regarding the substitution of the coca plantations in the Chapare region.

This meeting will assess the fulfillment of the agreements signed on 23 March, 5 May, and 23 September 1994; the overall development in Chapare; and the reduction, substitution, and eradication of surplus coca.

Sanchez de Lozada reiterated the desire to hold a political summit after the coca-cocaine debate concludes in Congress. The president hopes these debates will end this week in order to arrange the political meeting that will seek consensus agreements for a drug enforcement strategy.

He said that preliminary talks have already started at the level of political parties' management to prepare the meeting of political leaders. The subjects must be previously assessed so that the summit can be as successful, as we all expect. [passage omitted]

Correction to Bank Superintendent Issues Warning

PY2803161895

The following correction pertains to the item headlined "Banks Superintendant Warns of 'Critical' Financial Period," published in the 28 March Latin America DAILY REPORT, page 32.

Column one, paragraph seven, only sentence, make read: ...announced that fiscal control will not be...(changing the word "operations" to "control")

Brazil

Sivam Contract To Be Signed 'by Weekend'

PY2903230195 Rio de Janeiro O GLOBO in Portuguese 29 Mar 95 p 7

[FBIS Translated Text] By the weekend, Strategic Affairs Secretary Ronaldo Sardenberg will have signed a $1.4 billion contract for the implementation of the Amazon Region Surveillance System (Sivam). Sardenberg explained that delays in signing the agreement cause harm to the nation. He noted that with regard to the current congressional investigation of the deal involving the U.S. company Raytheon, the focus is on a single article of the contract. According to the minister, the investigations will not prevent closing of the deal.

"Congress supervises; the executive branch executes," he said.

Chamber of Deputies Begins Investigation of Sivam Contract

PY2903235995 Rio de Janeiro JORNAL DO BRASIL in Portuguese 29 Mar 95 p 4

[FBIS Translated Text] Brasilia—The Environment, Minorities, and Consumer Defense Committee of the Chamber of Deputies yesterday decided to begin the process of monitoring the Amazon Region Surveillance System (Sivam). The members of the committee approved a preliminary report by Deputy Luciano Pizzatto (PFL-PR) [Liberal Front Party - Parana], who, in response to a petition made by Deputy Fernando Gabeira (PV-RJ) [Green Party - Rio de Janeiro], recommends an examination of the bid to purchase the equipment for the Sivam.

Pizzatto yesterday revealed that he will summon the representative of the U.S. company Raytheon, which won the bid, to testify before the committee. The committee rapporteur will also summon the representative of the French company Thomson/Alcatel, which lost the bid. In his petition, Gabeira asked for the clarification of suspicions with regard to irregular procedures in the bid denounced by foreign newspapers.

The rapporteur will ask the Strategic Affairs Secretariat (SAE) and the Aeronautics Ministry for detailed information about the Sivam concept, its financial mechanisms, and cost estimates. Pizzatto wants to examine the bid documents to verify whether the National Accounting Office (TCU) already made a report on this bid. Pizzatto requested the help of some congressional advisers, some of whom are specialized in budgeting and monitoring. Pizzatto expects to conclude his work in 60 days, and then submit it for examination to the environment, minorities, and consumer defense and national defense committees, the latter in which a petition to monitor the Sivam contract was also made.

Agreement—During a committee session that was also attended by SAE and Aeronautics Ministry congressional advisers, Deputy Luciano Pizzatto's report was approved only after an agreement was reached with Deputy Fernando Gabeira. In exchange for authorizing Pizzatto to begin the investigations, Gabeira had to promise that he will not present a petition to suspend the signing of the contract between the government and the company that won the bid until the monitoring work is

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completed. If the investigation is approved, it could cause discomfort in Planalto Palace. The government's intention is to sign the contract with the firm Raytheon during President Fernando Henrique Cardoso's visit to the United States in April.

Objectives of President Cardoso's Upcoming U.S. Visit Noted

PY2903152895 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 29 Mar 95

[Report by Newton Duarte]

[FBIS Translated Text] The Foreign Ministry Press Advisory has reported that President Fernando Henrique Cardoso's trip to the United States next month will have a strongly political objective. The Brazilian president will be received at the White House on 20 April with the honors due to chiefs of state. According to U.S. Government protocol, only three foreign presidents per year are received with chief of state honors at the White House.

Brazilian Ambassador to the United States Paulo Tarso Flecha de Lima said that one of the topics to be discussed by President Cardoso at all the meetings he will hold with the U.S. community will be the reorganization of the international financial institutions.

[Begin Flecha de Lima recording] Our first point is that the United States alone cannot solve the international economic crisis. I believe, however, that the United States is still the main protagonist in the international economic scenario. It would therefore be more than advisable to discuss generalized dissatisfaction over the shortcomings of the current international financial organizations. [end recording]

Ambassador Flecha de Lima made it clear that President Cardoso's trip to the United States will be the main event of Brazilian foreign policy for the next few months. (endall) 290900 mr/newlin/mc dnse2903.06 29/1527z mar

Daily Says Cardoso To Sign Nuclear Accord in U.S.

PY2903235795 Rio de Janeiro JORNAL DO BRASIL in Portuguese 29 Mar 95 p 4

[Report by Luiz Orlando Carneiro]

[FBIS Translated Text] Brasilia—President Fernando Henrique Cardoso will sign a nuclear cooperation agreement with the United States of America during his visit to Washington in April. Brazilian Ambassador Paulo Tarso Flecha de Lima declined to confirm the signing of the agreement, but admitted that "an important announcement in the area of advanced technology" will be made during the president's visit.

Flecha de Lima, who is in Brasilia to make the final arrangements regarding Cardoso's agenda in the United States, reported that the U.S. Government will allow special treatment to President Cardoso, in his capacity as president of an emerging country that currently enjoys an enviable reputation for three basic reasons: Its political stability, its healthy economic status despite the international situation, and its concern about complying with its social debts.

Flecha de Lima minimized the U.S. Government's expectations about the Brazilian Senate's approval of the new patent law. He said: "Conflicts that may possibly exist between the two countries are not high on the agenda of Presidents Fernando Henrique Crdoso and Bill Clinton." He added that the two countries were able to overcome conflicts, especially regarding protectionism, by reconciling their mutual interests. He added that, to show that the two countries have put distrust behind them, "an important announcement in the area of advanced technology will be made during President Cardoso's visit."

Flecha de Lima said that investments plans in Brazil announced by Ford, GE, and Colgate, among other major companies, testify to the confidence placed in Brazil by U.S. businessmen. In his remarks to the press and to academicians, Cardoso plans to reaffirm his idea that the international financial organizations—the IMF and the World Bank, which were created 50 years ago in Bretton Woods—are not prepared to cope with global financial speculation.

Cardoso Meets Visiting Irish President Robinson

PY3003022395 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 29 Mar 95

[FBIS Translated Text] President Fernando Henrique Cardoso today met Irish President Mary Robinson, the first Irish head of state to visit Brazil since the two countries established diplomatic relations in 1975.

President Robinson is making a protocol visit to Brazil; that is, no official agreement will be signed during her visit. Nevertheless, her visit is highly significant because it will be instrumental in promoting bilateral relations. Ireland is a member of the European Union, a bloc that has become Brazil's main trade partner.

The Irish president also visited the Congress, where she met with Jose Sarney, president of the Senate, and Luis Eduardo Magalhaes, president of the Chamber of Deputies.

Cardoso Affirms Decision To Serve as Political Coordinator

PY2903220695 Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Mar 95 p 1

[FBIS Translated Text] President Fernando Henrique Cardoso confirmed having abandoned the idea of appointing a government political coordinator and announced that he will perform this task himself. "Any

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time you have problems, give me a call," he told the leaders of the government supporting parties. Cardoso instructed his ministers to give "five-star treatment" to congressmen. He accepted the proposal to divide the support base of large and small parties, and decided to summon the Political Council only as a last resort. The Liberal Party leader Valdemar Costa Neto (Sao Paulo) accused the large parties of "trapping the president." Still unaware of Cardoso's decision, Deputy Roberto Magalhaes (Liberal Front Party - Pernambuco) criticized the government: "The government has too many sociologists, scientists, and PhD's, and a shortage of executives." In Rio de Janeiro, Leonel Brizola (Democratic Labor Party) and Luiz Inacio Lula da Silva (Workers Party) have announced a pact against the reforms proposed by the government.

Senator Dutra Responds to Cardoso's Criticisms

PY2803221695 Sao Paulo AGENCIA ESTADO in Portuguese 2259 GMT 27 Mar 95

[FBIS Translated Text] Brasilia, 27 Mar (AE)—Senator Jose Eduardo Dutra (PT-Se) [Workers Party-Sergipe] today used the Senate rostrum to respond to President Fernando Henrique Cardoso. On 24 March, in a speech in Ceara State, Cardoso indirectly referred to Dutra—who accuses the Central Bank of leaking privileged information to private institutions—as an "impostor." "It looks like the beautiful scenery or the aphrodisiac food of Ceara kindle the spirit of boldness in governors," Dutra said with irony. "It was in Ceara that Fernando Collor said that he had all the attributes of a manly, tough, powerful guy," he said.

For the PT senator, Cardoso is demonstrating "an imperial attitude, typical of military dictatorships." "The president receives a criticism from the opposition as if it were a crime against the fatherland, and soon he will relaunch the slogan: 'Brazil, love it or leave it,'" he said. Dutra challenged the president to reveal to the country the names of the speculators. "Since he says that there are speculators making money in the financial market, indicate who they are."

In Dutra's opinion, the Central Bank case is still not finished. "We will still have a secret session to listen to Persio Arida," he said. He classified as "protected information of the BBA" the Central Bank explanations about this bank's transactions before the devaluation of the real in comparison with the dollar. "The government openly assumed the position of defending a private bank, and it has not yet clearly answered questions concerning evidence with regard to accessing privileged information," he said.

Senator Artur da Tavola Elected New PSDB President

PY2903025695 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 28 Mar 95

[FBIS Translated Text] On 28 March, Senator Artur da Tavola was elected the new national president of the Brazilian Social Democracy Party, PSDB. He will occupy the position left vacant by former Deputy Pimenta da Veiga, who resigned the position. Former Deputy Paulo Haddad was elected PSDB first vice president.

The new PSDB leaders have told President Fernando Henrique Cardoso that the party will begin mobilizing to defend the government proposals for constitutional reform. The PSDB has decided to take action and fight for the reform proposals that the government is sending to Congress. This is what President Cardoso heard from the PSDB leaders, who visited at him at Planalto Palace early this afternoon. Upon leaving the palace, PSDB President Artur da Tavola said that the party will begin mobilizing to defend the government proposals. If some people spread the word that the reform proposals are not good, the PSDB, as well as the other parties that support the government in Congress, has the obligation to more clearly explain the meaning of these proposals.

Minas Gerais Governor Eduardo Azeredo has asserted that the PSDB governors are willing to confront the candidates who have been defeated in the last elections. He thus clearly referred to Lula [Workers Party presidential candidate Luis Inacio da Silva] and Brizola [Democratic Labor Party presidential candidate Leonel Brizola] who are becoming allies to fight the reform proposals.

Tavola on Party's Tasks, Expectations

PY3003021195 Sao Paulo AGENCIA ESTADO in Portuguese 0013 GMT 29 Mar 95

[FBIS Translated Text] Brasilia, 28 Mar (AE)—According to Senator Artur da Tavola (RJ) [Rio de Janeiro State], the new PSDB [Brazilian Social Democracy Party] president, President Fernando Henrique Cardoso wants the PSDB out on the streets to champion the constitutional reforms and the Real Plan. Meeting the new PSDB National Executive Board during a luncheon at the Alvorada Palace today, the president ordered a stronger offensive for the approval of the government bills. Fernando Henrique summarized: "We have to leave our palaces and champion the reform." PSDB governors Marcello Alencar (RJ), Eduardo Azeredo (MG) [Minas Gerais State], and Albano Franco (SE) [Sergipe State] participated in the meeting. Tavola held a news conference after the luncheon.

[Unidentified reporter] How was the meeting with the president?

[Tavola] There was much harmony during the meeting between the president and the PSDB National Executive Board. The party is united. It decided to express its solidarity with the reforms that he intends to implement. To this end, we will make efforts on three fronts: support in Congress, support in the media, and support in the society. In 80 percent of the cases, explanations to the population are lacking.

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[Reporter] Is the president worried about the opponents?

[Tavola] The opponents are taking to the streets to cause intrigue among the population. If popular mobilizations are required in favor of the reforms, we will also take to the streets. During the meeting, the president mentioned Lula and Brizola. He said these long-standing opponents are joining forces, therefore, the president asked us to launch an offensive. Nowadays, one of the great problems involves the existence of a conservative conspiracy in the sense of attitudes or in a corporative sense. The president said we can no longer stay in our palaces. We have to champion the reforms.

[Reporter] How will this be done?

[Tavola] We did not discuss the way in which we will be working on this issue, nevertheless, we will certainly keep a fairly open front in Congress. We will also take advantage of all the opportunities to explain the reforms to the population; we will lecture at the universities, for example.

[Reporter] Did the president make this decision?

[Tavola] He wants the party to visibly take to the streets, occupying space.

[Reporter] And what is the party's reaction?

[Tavola] The PSDB intends to mobilize its forces in this direction. We are not afraid of any confrontations or discussion of ideas. We have to be more courageous and more overwhelming in championing the reforms. In this regard, the president reaffirmed the necessity of the party supporting the reforms.

[Reporter] Did the opponents take the lead?

[Tavola] The opposition movements advanced against the reforms, but we will confront them.

Three Leftist Parties Seeking 'Divorces' From Coalitions

PY2903125895 Rio de Janeiro JORNAL DO BRASIL in Portuguese 25 Mar 95 p 6

[By Teodomiro Braga from the "JB Report" column]

[FBIS Translated Text] The elections to be held next year will include three new parties: the PDS [Democratic Social Party], the PCB [Brazilian Communist Party], and the PST [Social Workers Party]. The three parties have opened a process in the electoral courts requesting separation from the parties with which they had merged.

The PDS, which replaced Arena [National Renewal Alliance], regretted having joined the PDC [Christian Democratic Party], which gave birth to the PPR [Progressive Renewal Party]. Former PCB militants have rebelled against its transformation into the PPR, and the PST does not want to remain linked to the PP [Popular Party].

The Superior Electoral Court [TSE] is analyzing the requests to reactivate the new party labels. According to TSE advisers, the three parties' requests can hardly fail to be met.

The PPR dissidents have already obtained the temporary registry of the PCB. The group trying to resurrect the old Big Party includes historic Communists such as architect Oscar Niemeyer.

These party divorces are only possible because of the fragility of the current electoral law, which is harshly criticized by TSE President Carlos Velloso.

He said: A little over 10 years ago, we had two parties. Currently we have more than two dozen parties. It is one of two extremes. Everything is wrong. Representative democracy can only exist through strong parties.

As a result of these divorces, the number of political parties in the country will increase to 30.

PT, PDT Leaders Join Forces Against Reform Proposals

PY2803113895 Sao Paulo AGENCIA ESTADO in Portuguese 2221 GMT 27 Mar 95

[Report by Paulo Vasconcellos]

[FBIS Translated Text] Rio de Janeiro, 27 Mar (AE)—Former Governor Leonel Brizola [leader of the Democratic Labor Party, PDT] and PT [Workers Party] President Luiz Inacio Lula da Silva today overcame their disagreements and, after a two-hour meeting held at Brizola's apartment in Copacabana, agreed to take joint action against the reforms proposed by the government. Lula and Brizola would like to have the antireform movement transcend their parties and, if possible, catch on in the streets and become a movement similar to the Direct Elections Now drive.

Brizola said: "It would be wonderful to have a new campaign similar to that of the Direct Elections Now." Excited about his return to the political arena after his defeat in the 1994 presidential election, Brizola admitted that the front will promote demonstrations and even rallies, and will exert pressure on Congress.

Lula said: "This meeting means that the political situation, the reforms proposed by the government, and what happened in Mexico are far more important than any disagreement that may exist between our two parties." He also announced their intention of trying to get other people to join the movement. He said: "It is our idea to build a movement designed to defend the nation." On 29 March, Lula will meet with Pernambuco Governor Miguel Arraes (Brazilian Socialist Party) and, in the next few days, he also plans to meet with ABI (Brazilian Press Association) President Barbosa Lima Sobrinho.

Despite stating their willingness to negotiate the reforms with President Fernando Henrique CArdoso, Lula and Brizola noted that there is little to be negotiated about

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the government proposals. Lula said: "The government spent the entire electoral campaign promising that it would guarantee economic stability, that it was necessary to promote a tax reform and a fiscal adjustment, but it has started by sending a social security amendment proposal to Congress." He added: "What the government has proposed to Congress are not reforms, but ways to take our sovereignty away from us."

Lula also said that he is not afraid this movement could be construed as "the revenge of the defeated." He added: "Arbitrariness and arrogance are part of Cardoso's curriculum. It is true that we lost an election, but we did not lose our love for our fatherland. A president will pass; Brazil will stay." Brizola concurred by saying that "when he won the election, Cardoso did not win a blank check."

Attending the meeting held today were Senator Benedita da Silva (PT-Rio de Janeiro) and Luis Greenhalgh, Plinio de Arruda Sampaio, and state deputy Rui Falcao (PT-Sao Paulo), of the PT leadership; PDT President Neiva Moreira; and former PDT deputies Luis Alfredo Salomao and Vivaldo Barbosa. Deputy Miro Teixeira (PDT-Rio de Janeiro), who is charged with coordinating efforts with Congress, arrived at the meeting one hour late.

Alliance Party Leaders To Substitute for Political Council

PY2803153995 Sao Paulo AGENCIA ESTADO in Portuguese 2313 GMT 27 Mar 95

[FBIS Translated Text] Brasilia, 27 Mar (AE)—The leaders of the six political parties that support the government will substitute for the Political Council in the meetings with President Fernando Henrique Cardoso whenever an important decision must be made. This was the solution found by the president of the Republic and by the leaders of the PMDB [Brazilian Democratic Movement Party], Michel Temer (SP) [Sao Paulo]; the PFL [Liberal Front Party], Inocencio Oliveira (Pe) [Pernambuco]; and the PSDB [Brazilian Social Democracy Party], Jose Anibal (SP), to end the misunderstandings between the executive and legislative branches. The meeting took place this afternoon.

The misunderstandings have led to defeats for the government, such as the splitting of the constitutional amendment proposal to reform the social security system by the lower house Constitution and Justice Committee, and to a risk that other proposals, such as breaking the government monopoly on oil and telecommunications, might be rejected. The political council made up of the presidents of the six political parties that support the government (PMDB, PFL, PSDB, PP, [Progressive Party] PTB [Brazilian Labor Party], and PL [Liberal Party]), will meet with the president of the Republic whenever an important decision must be made in the field of bilateral relations, and not when the problem is Congress.

"The Political Council will not disappear, but the meetings will be held with the leaders," said PFL leader Deputy Inocencio Oliveira. According to him, the three leaders of the largest political parties have asked President Cardoso not to pass a provisional measure in order to adjust the wages of the government officials of trust—those who are ranked as DAS [Administrative Department of Public Service] members—but to send a draft bill to Congress. The leaders guaranteed that they will give the law "very urgent" treatment, guaranteeing its approval in record time.

The party leaders warned Cardoso that the larger the alliance, the more internal problems there are. They told the president that their party blocs threaten to rebel every time they feel discriminated against, and demonstrated that the congressmen could be calmed down by taking care of their petitions, such those for as filling the second-rank government posts. Inocencio Oliveira even referred to the party blocs as "our herd."

The lack of decision in filling the second-rank government posts has already led the PP to nearly abandon the government alliance. Tomorrow, the PP board of directors will hold a second meeting to decide whether it will remain in or leave the alliance, but it is known that PP President Alvaro Dias could alter the situation if he is given the presidency of Eletrobras [Brazilian Electric Power Company, Inc.] There are other posts being disputed at the Itaipu Binational hydroelectric dam and at the Vale do Rio Doce mining company.

For Inocencio Oliveira, controlling the PFL and the PSDB is easier, as they were together in the presidential campaign and their main arguments were the neoliberal proposals. PMDB leader Michel Temer commented on the difficulties in his party, as it is split under the command of different leaders, one of whom is former Sao Paulo Governor Orestes Quercia.

The leaders of the three largest parties attended the meeting that took place today. The leaders of the three other parties that support the government in Congress, the PTB, the PP, and PL, which are smaller parties, will meet on 30 March.

Workers Party Decides To Harden Opposition to Government

PY2903145495 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Mar 95 Section 1 p 5

[Article by Carlos Eduardo Alves]

[FBIS Translated Text] The PT [Workers Party] believes that the honeymoon between the public and President Fernando Henrique Cardoso has ended. That is why it will radicalize its opposition to the PSDB [Brazilian Social Democracy Party], which until last week had been shy.

"Obviously it is easier to mount an opposition now than it was in January," said PT Vice President Rui Falcao, leader of the left wing of the party.

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On the other side of the PT spectrum, Deputy Jose Genoino also bets that the party will radicalize its action against President Cardoso, although he does not agree with the manner in which it will be done. "The tendency in the PT is to make noise," said Genoino.

This was demonstrated on 22 March in Brasilia, when the PT administration of the Federal District sponsored part of what has until now been the largest public demonstration staged against the constitutional reform.

The common diagnosis of the PT is that the slowness of the administration and the contents of Cardoso's constitutional amendment proposals have weakened the people's support for him, as well as the congressional support base for the PSDB administration.

All this is of course in addition to the exchange crisis, which the PT leadership believes has affected the credibility of the Real Plan.

"The lack of government action has helped us, and we will harden our position," said PT Secretary General Gilberto Carvalho, who is a member of the center faction of the party, to which its president Luiz Inacio Lula da Silva also belongs.

Be it coincidence or not, the PT decision to harden its opposition even after prominent party members—Culture Minister Francisco Weffort and Communications Ministry adviser Irma Passoni—joined the administration, was made just as the party enters a traditional period of turmoil because of its internal elections for executive board members.

"The PT is groping in the dark, and has not yet managed to find how to be in the opposition without falling into corporatism," said Jose Genoino.

Former federal Deputy Paulo Jose Dirceu, who lost the election for Sao Paulo governor, must negotiate an agreement between the PT's center and left wings to attempt to make the party "governable."

Dirceu asserts that the wave of PT support for the Cardoso administration has ended. The former deputy says there is no way out for the party and the country if the opposition does not reassume its character.

"The Cardoso administration is showing increasing inability to govern the country, so the PT must organize itself to face this politically," said Dirceu. The former deputy will be the future president of the PT chapter in Sao Paulo State.

The left wing of the party welcomes the offensive against Cardoso that is being promised by the PT, but is waiting for concrete gestures from the party leadership. Markus Sokol, leader of the Troskyist "Labor" ["O Trabalho"] wing, does not spare even Lula, as he acknowledges that a considerable portion of the party has so far maintained an ambiguous position regarding Cardoso.

"The PT candidate himself said after the elections that he would check up on whether or not Cardoso complied with his program," Sokol said.

Lula's initial position was not belligerent, but Cardoso's constitutional reform proposals pushed him, even unwillingly, to adopt a more leftist position, which is more useful for the increasing corporatist attitude of the party.

"The government's ill intentions in withdrawing fiscal reform as a priority demonstrates that it yields to pressure, and that it only wants to implement neoliberal reforms," said Carvalho, a moderate, thus marking the tone of the new PT phase.

Administration Evaluates Errors, Charts New Strategy

PY2903154895 Rio de Janeiro JORNAL DO BRASIL in Portuguese 27 Mar 95 p 2

[FBIS Translated Text] Brasilia—The government wishes to change its profile as of this second quarter. The initiative must come from Planalto Palace. A cantankerous and often disorderly style must be considered a natural hitch in a machine that is still being oiled. The new strategy emerged when the government's deficiency in communicating became evident. This was the main topic discussed during the second meeting of ministers held on 25 March at the Granja do Torto [a presidential residence].

The president acknowledged the government's errors, and demanded that each of his ministers undertake the task of reversing the situation. "The government is doing a lot of good things that are not being given sufficient dissemination," the president said, in complaining about the lack of boldness on the part of the ministries in making the government's actions known.

In order to reverse this situation, the president asked for the efforts of all ministers, especially in the debate that will arise over approval of the constitutional reforms. The debate over the social security system was considered the most serious case of misinformation. "It is necessary for more information to be released, and a formidable effort to convince society must be carried out," a minister said.

Social Security Minister Reinhold Staphanes demanded action from the government leader in the Chamber of Deputies, Deputy Luiz Carlos Santos (PMDB-SP) [Brazilian Democratic Movement Party-Sao Paulo]. The minister explained during the meeting that the government submitted a proposal to be debated, but the leaders did not discuss it with their parties or with the sectors that were resisting the proposal. "It was expected that the leaders would submit alternatives, but this did not occur," Stephanes said. Meanwhile, the minister admitted that the reform of the social security system is encountering a lot of difficulties.

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The Persio Arida episode provoked intervention by the ministers supporting the need for a united team. "This episode demonstrated how the opposition reacted with iniquity, and the effects this caused on the market," one of the ministers said. In order to guarantee this kind of solidarity within the team, Cardoso indicated that the cabinet will meet once a month. The objective of these meetings will be to evaluate the political and economic situation. Cardoso outlined the importance of the reforms, especially the reform of the social security system. "None of this will benefit my administration, but the reforms are important in the economic order for the country's growth and to prevent the social security system from coming unviable," he stressed. He also asked that his ministers stand firm, and indicated that the reactions against the reforms come from the privileged sectors that will be affected by the changes.

When Finance Minister Pedro Malan's turn came, he tried to calm his ministerial colleagues by stressing that all of the economy's indexes were positive, and that the mess over the exchange rate was an outcome of the deterioration in the international situation due to the Mexican crisis. "Exports in January, February, and March were the best in the country's history," a minister said in commenting on Malan's data.

Justice Minister Nelson Jobim and Stephanes then outlined the reforms to be made in the economic and social security sectors. Planning Minister Jose Serra was the last minister to give his views. He explained the need to balance public accounts, and announced new cuts in the budget.

Argentine Paper Interviews Justice Minister Jobim

PY2903035795 Buenos Aires LA NACION in Spanish 28 Mar 95 p 16

[Interview with Justice Minister Nelson Jobim by Adrian Ventura on 27 March; place not given]

[FBIS Translated Text] [Ventura] The Mercosur [Common Market of the South] poses many problems. One of the major problems is our customs system.

[Jobim] Without a doubt. We intend to build common customs offices in Foz do Iguacu-Puerto Iguazu and Uruguayana-Paso de los Libres, which will imply the unification of proceedings, personnel, and even the need of police agents.

[Ventura] There seems to be certain resistance to improving physical interconnections, that is, highways, railroads, or river connections. The Paraguay-Parana waterway and the Buenos Aires-Sao Paulo superhighway are nothing but mere ideas.

[Jobim] Highways are comparatively easier to build, but the problem is that we do not have the money to build them. My government decided to contain public spending and the deficit.

[Ventura] Can we then say that an internal crisis is delaying our regional integration?

[Jobim] No, but integration is not possible without internal development. For instance, Argentine exports to Brazil increased by 90 percent following the Real Plan's stabilization.

[Ventura] Brazil has bureaucratic requirements that hinder the establishment of Argentine companies there.

[Jobim] We are working to simplify our legislation. The government has sent a bill to Congress to revise the Constitution, to eliminate the discrimination between Brazilian companies with national capital and Brazilian companies with foreign capital. That bill is currently in the Chamber of Deputies.

[Ventura] Some Argentine entrepreneurs have complained, however, that Brazilian groups lobby to prevent the entry of Argentine companies into their market.

[Jobim] That is a problem involving the free play of market forces. We are not involved. Our task is to eliminate all obstacles. The Mercosur, unlike the EU, does not have a supranational judicial organ, I mean, a community justice system, to resolve problems created among member countries or private enterprises—individuals or companies—belonging to them. We only have an arbitration tribunal. Conflicts involving civil, labor, administrative, or insurance actual or contractual rights must be decided by judges in each country. The issue is sometimes facilitated by a jurisdiction election agreement.

[Ventura] It seems that Mercosur members do not feel there is any hurry to create a supranational tribunal, judging by the fact that Argentina and Brazil do not have constitutional problems with regard to the creation of one.

[Jobim] It is still early to take that step. First we must strengthen our economic integration. The need for a tribunal will be immediately felt afterward.

[Ventura] Drug trafficking is, without a doubt, one of the problems that concerns you the most.

[Jobim] Precisely. In the next few hours I will have a meeting with Argentina's justice minister, Rodolfo Barra.

My theory is that each country's legislation considers drug trafficking as a domestic crime. We must have a common Latin American policy, which must include the Caribbean, because drug trafficking is a transnational problem affecting many areas.

First, all countries in the region must agree on a definition of the crime and the type of penalty to be imposed as punishment, and agree to exchange condemned prisoners.

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Second, we must define police investigative prerogatives because Brazil does not have adequate mechanisms to fight organized crime. For instance, the activity of cover agents, the legal definition of informants, etc.

Third, we must establish a common judicial treatment of or approach to the problem.

[Ventura] What do you think of the Seminar on Prison Policies, which is the reason you are here?

[Jobim] We heard about the experiences of such European countries as Spain, Italy, France, and Germany in the area of prison planning. Brazil is lacking in this area; Argentina gave its presentation yesterday.

Brasilsat-B2 To Begin Operating in 2 Months

PY3003035495 Sao Paulo AGENCIA ESTADO in Portuguese 2142 GMT 29 Mar 95

[Report by Gilse Guedes]

[FBIS Translated Text] Rio de Janeiro, 29 Mar (AE)—The Embratel [Brazilian Telecommunications Company] management today reported that the Brasilsat-B2 satellite launched yesterday will begin operating in two months, as it must first undergo several tests. Embratel Development Director Francisco Pires Albuquerque said that the adjustments are necessary so that the satellite can operate with the 28 transmission channels (transponders). It will guarantee more telephone communications, television signals, and data transmissions. Embratel President Dilio Sergio Penedo considers the mission a success. The Brasilsat-B2 was launched from the Kourou Space Center in French Guiana together with the Hot Bird-1 (from a European company). It was transported by the Ariane-4 rocket.

The launching mission manager, engineer Ney Freitas, said that the satellite arrived in perfect technical condition, but it is still in an elliptical orbit. It must attain a circular geostationary orbit, that is, it must not leave or move from its position in relation to terrestrial references. Freitas explained that the "apogee motor" [motor de apogeu], responsible for the propulsion, will be activated four times to make the Brasilsat reach its position. From the Guaratiba terrestrial base in Rio de Janeiro State, Freitas will be responsible for commanding the entire operation, until the satellite begins functioning. Embratel has two other stations abroad, one in Indonesia and another in the United States, with the objective of helping control the Brasilsat-B2.

Of the 28 transmission channels, seven will be used to cover the Mercosur [Common market of the South] countries (Paraguay, Uruguay, Argentina, and Brazil). It is the first Brazilian satellite to offer services for the Mercosur, besides being able to attend to Chile, Albuquerque reported. A transponder will be reserved for the exclusive use of the Armed Forces.

The Brasilsat-B2 will have a 13-year lifespan. It has a diameter of 3.6 meters, and weighs 1,780 kg. It is the fourth Brazilian telecommunications satellite to be launched into space by the Arianespace consortium. It will replace the Brasilsat-A2 satellite, whose useful life is scheduled to end in 1997.

The Brasilsat-B program was budgeted at $307.8 million, with the participation of four teams: Embratel, Arianespace, Eutelsat (European), and Hughes Space and Communications. This sum includes a $124.358 million insurance policy, taking into account the risks that are involved in the launching of the two satellites, their placement in a definite geostationary orbit, and the initial operation.

Air Force Losing Planes for Lack of Resources

PY2903014995 Madrid EFE in Spanish 1326 GMT 27 Mar 95

[FBIS Translated Text] An expert in military affairs has reported today in Brasilia that the Brazilian Air Force (FAB) has lost half of its 852 planes and helicopters due lack of spare parts and resources for their maintenance.

Many planes are stockpiled in the military hangars, with the risk that they will be definitively lost because they continue being disassembled to supply spare parts to the planes that are still in operation.

Military analyst Roberto Lopes, in an article published today in the newspaper CORREIO BRAZILIENSE, asserts that the FAB fleet is being disassembled just like most of the Armed Forces military equipment.

The expert pointed out: "These data, which have been supplied by the FAB commands, are only an example of the Armed Forces' current economic strangulation."

The Army, as well as the FAB and the Navy, have reduced their expenditures and even failed to honor their obligations to financial institutions because the executive branch did not disburse to them the funds already authorized in the 1994 budget.

In its last issue, the magazine VEJA reports that the same thing seems to be occurring with the 17-plane fleet earmarked for the federal government, which is administered by the Aeronautics Ministry. The magazine adds that only five of these planes are still operating, and even they are old and subject to frequent breakdowns.

Since January, at least four ministers and Vice President Marco Maciel himself have experienced frightening situations when the planes in which they were traveling broke down.

The magazine cites the case of Army Minister Zenildo Lucena: For lack of radar in his HS 125-400 plane, he ended up landing in Paraguay while flying from Corumba to Ponta Pora, Mato Grosso do Sul State.

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Import Tariffs on Cars, Other Items Increased

PY3003002795 Sao Paulo AGENCIA ESTADO in Portuguese 2229 GMT 29 Mar 95

[FBIS Translated Text] Brasilia, 29 Mar (AE)—The ministers of finance, Pedro Malan; of planning, Jose Serra; and of industry and commerce, Dorothea Werneck, as well as presidential spokesman Sergio Amaral have just confirmed that as of tomorrow, the import tariffs on cars and 100 other durable goods will be increased to 70 percent. The list of products will be published tomorrow in the DIARIO OFICIAL DA UNIAO. According to Amaral, this measure does not interfere with the agreements of the Mercosur [Common Market of the South], which has a list of exception for 300 products. Car imports surpassed $650 million in February, pressuring the trade balance deficit. Through this measure, the government is attempting to reverse the deficit. It is a harsh measure, if compared with the 14 percent modal import tariff. Import tariffs on cars at the end of January were 20 percent. Given the volume of imports, it was increased to 32 percent, but this was not enough to restrict the growth of car imports.

Change of 'Priorities' Seen in Import Tariff Hike

PY3003030595 Sao Paulo AGENCIA ESTADO in Portuguese 0011 GMT 30 Mar 95

[Report by Beatriz Abreu]

[FBIS Translated Text] Brasilia, 29 Mar (AE)—The government's decision to reinstate import barriers represents a reversal of priorities by the economic team. Although it will continue to fight inflation, the economic team will now sharpen its focus on balancing the Brazilian external accounts. The trade deficits reported in the past four months and the Mexican exchange crisis have forced the Brazilian economic team to revise its exchange and foreign trade policies.

Upon announcing the increase to 70 percent of import tariffs on automobiles and durable consumer goods, Finance Minister Pedro Malan admitted that "a trade surplus appears to be necessary in today's international context."

Planning Minister Jose Serra said: "This measure is designed to defend the Real Plan and to maintain sound external accounts."

Malan said that "this is a temporary measure." He added that "the decision made today in no way represents a step backward in the Brazilian policy of opening up its economy to the world." He even noted that the tariff increase will not affect industrial capital assets. "It is not a step backward in the opening process," Malan said.

Malan said that since the advent of the Real Plan, the government has adopted all those measures needed to reconcile supplies and the level of production. Import restrictions are, however, less connected to addressing consumption problems. He said: "It is paramount for us to have a trade balance turnaround." To this end, he is counting on an increase in exports, in the hope of repeating in March the export figures obtained in January and February.

Minister Says Social Security Proposal Not Withdrawn

PY3003014595 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 29 Mar 95

[FBIS Translated Text] Social Security Minister Reinhold Stephanes stated that the government has not given up its social security reform proposal submitted to Congress. Stephanes said that discussions on the issue have been postponed to prevent its controversial topics from jeopardizing other constitutional reform proposals that need to be addressed more urgently:

[Begin recording] Social security is a very complex, a very controversial, subject. We recognize that it is a very controversial issue that must be discussed at length, because the new social security laws will be in force for the next 20 or 30 years; that is, we cannot pass a constitutional amendment now that will require a new amendment four or five years from now. The new laws will have to be more permanent. Thus, they must be discussed in detail.

Now, we are not withdrawing our social security proposal. We are just trying to create better conditions for Congerss to debate it and for the people to become better informed about about what we are trying to achieve. [end recording]

Stephanes said that the government's social security proposal seeks the following objectives: First, to make the social security management more efficient by increasing revenues and by reducing fraud; second, to make it easier for the people to interpret the laws with a view to reducing lawsuits; and third, to pass laws that are fairer to Brazilian retirees. (endall) 292200 ol/chung/dp acse2903.15 30/0144z Mar

Students, Workers Demonstrate in Several Cities

PY2903024995 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 28 Mar 95

[FBIS Translated Text] The government constitutional amendment proposals were the object of demonstrations by workers and students. High school students in Brasilia demonstrated in front of Congress and then in front of Planalto Palace to ask for more funds for education and better quality education.

Porto Alegre university students demonstrated in front of a hotel where Education Minister Paulo Renato de Souza and writer Mario Vargas Llosa were participating in a debate about free trade. The students reject a final examination upon completion of a university course of studies.

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In Belo Horizonte, public and private school students also asked for a law regulating monthly school fees.

In Rio de Janeiro students demonstrated in the downtown area, in front of the Gustavo Capanema Palace, the old headquarters of the Education Ministry.

Early this evening, trade union members of the Union Force marched in downtown Sao Paulo. The Union Force, which represents 11 million workers, is launching a campaign to support the constitutional reform proposed by the Federal Government. It does not agree, however, with the elimination of retirement based on years of service.

Ecuador

Armed Forces Ordered To Remain Alert to Peruvian Surprise

PA2903180595 Madrid EFE in Spanish 1420 GMT 29 Mar 95

[FBIS Translated Excerpt] Quito, 29 Mar (EFE)—The Ecuadoran Security Council has ordered the Armed Forces to remain alert to face "any unpleasant surprise" by Peru, a surprise which could come at any moment, Heinz Moeller, Ecuadoran Congress president, said today.

According to Moeller, the threat of a possible "unpleasant surprise" will exist at least up until 9 April, the date of the Peruvian presidential elections in which President Alberto Fujimori is among the favorite candidates.

"All of our detachments are under Ecuadoran control, although certain Peruvian patrols have infiltrated them, the reason why it is very probable new hostilities will occur again," the Congress president said.

Moeller ruled out the possibility that the incident on 27 March will inflame the undeclared war waged between Peru and Ecuador from 26 January-28 February.

Moeller said: "There is no reason for the time being to think this (confrontation) is part of an escalation." The fact remains that this type of isolated incident can occur again in view of the proximity of the troops, the reason why they must be kept away."

Moeller added the Ecuadoran Security Council has resolved not to withdraw the Ecuadoran troops based in the upper Cenepa region while Peruvian forces continue to be deployed along the conflict region."

Ecuadoran and Peruvian troops have occupied a 78 km long strip of undemarcated territory since 1941, when the Rio de Janeiro Protocol was signed establishing the limits between the two countries. "Ecuador will not cede territory or sovereignty to Peruvian forces or allow them to continue to infiltrate troops in our territory," the Congress president added. He claims the places controlled by Ecuadoran soldiers in the conflict zone "will be turned over only to the observers." [passage omitted]

Government Expresses Concern Over Confrontation

PA2903200395 Quito Voz de los Andes in Spanish 1700 GMT 29 Mar 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Today, Ecuador expressed concern over armed confrontations between Peruvian and Ecuadoran troops that produced two dead on each side in recent days. Congress President Heinz Moeller, who is also a member of the Security Council, has said there may be other incidents, and this is dangerous for peace. I do not like the slowness with which the observers are moving to enter the zone.

The casualties, according to communiques from Ecuador and Peru, occurred at Peru's PV1 [Watch Post No. 1] in the high Cenepa, the zone of conflict between the two nations.

The legislator said the tension between the two countries obstructs progress toward a negotiations process. We will not move from the area as long as there are Peruvian troops infiltrated, he said. He said: We cannot yield territory or sovereignty.

An official source has diminished the importance of the incident, however. Communications Secretary Enrique Proano has said: The incident in the high Cenepa does not mean a rupture in the negotiations in which Ecuador, Peru, and the guarantor countries of the Rio de Janeiro Protocol are engaged.

Ecuador and Peru accused each other on 28 March of violating the cease-fire in that jungle region. Proano has said the guarantor countries have been clear in saying the peace process is on. He has said the guarantors have acted promptly and timely in seeing that the forces involved in the incidents would break apart so that normalcy could return to the disputed border zone.

Despite Proano's optimism, observers have threatened to withdraw from the Ecuadoran-Peruvian border if the armed confrontations continue.

If security measures around PV1 and Coangos continue, our priority will be to pull observers out of that area, said Argentine Colonel Jorge Gomez, spokesman of the observers mission.

Gomez has confirmed the intervention of the observers in Monday's [27 March] incidents. Colonel Gomez said during a news conference that due to explosions, shooting, and artillery fire, probably, in the area, the observers were able to establish there was a confrontation.

Colonel Gomez has said the two sides have been informed they will be made directly responsible if something happens to the military observers as a result of the violations of the Itamaraty declaration on a cease-fire and on the suspension of military operations.

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Guarantor Liaison Says Separation of Forces To Begin

PA3003043095 Madrid EFE in Spanish 0122 GMT 30 Mar 95

[FBIS Translated Text] Quito, 29 Mar (EFE)—The separation of Ecuadoran and Peruvian troops who are at a standoff in an undelimited strip of land in the Amazon jungle border region should begin tomorrow and last one week, Ecuadoran Ambassador Edwin Johnson announced today.

The diplomat, who is the liaison between the Ecuadoran Government and the observers from Argentina, Brazil, Chile, and the United States, said in the Ecuadoran village of Patuca, 50 km north of the disputed area, that the time period is stipulated in a memorandum issued by the "Ecuador-Peru Multinational Observer Mission (MOMEP)."

Once fulfillment of the cease-fire agreement has been verified, the separation of forces, the drafting of a demilitarized zone, and the demobilization of troops will follow. Ecuador and Peru clashed in an undeclared war between 26 January and 28 February.

"The MOMEP delivered a memorandum on 28 March calling for the fulfillment of the first stage of the plan, which is the separation of forces. The time period allocated for this stage is seven days, between 30 March and 5 April. During this time, troops and weapons from Ecuador and Peru must be moved to assembly points in the rear guards as determined by the observers," Ambassador Johnson said.

Brazilian Ambassador Julio Cesar Gomes dos Santos, a special envoy from his country's president, Fernando Henrique Cardoso, to contribute to the achievement of peace between Ecuador and Peru, said the separation of forces "is not easy" because "there is a fighting spirit among the soldiers of both countries."

The Brazilian ambassador reacted angrily when a journalist asked him if the observers were waiting for the Peruvian presidential elections on 9 April before traveling to Tiwinza, where the bloodiest clashes took place. Ecuador wants the observers to verify that Tiwinza is completely under the control of its troops.

"If I hear anyone say that, I will personally consider it an insult against Brazil," he said.

Gomes dos Santos, who will return to his country tomorrow, met today with Ecuadoran President Sixto Duran-Ballen, Congress President Heinz Moeller, Defense Minister Jose Gallardo, and Foreign Minister Galo Leoro, with whom he discussed the peace process in private.

Leoro gave little importance to the clashes last Monday in which two soldiers were killed (one from each country) and three Ecuadoran soldiers wounded. Each country blamed the other for this violation of the cease-fire agreement.

Asked by journalists about the MOMEP's threats to leave if appropriate security measures are not provided and about the effects of the clashes on the peace process, Leoro said: "It is not that important; we must stay calm because the observers will remain in the area."

Defense Minister Gallardo said the Ecuadoran Joint Armed Forces Command "is studying the plan, which is scheduled to be implemented tomorrow," and that his soldiers "remain vigilant, but vigilant with goodwill."

Paraguay

Central Bank Bans Opening of New Banks, Financial Houses

PY2903140195 Asuncion ABC COLOR in Spanish 29 Mar 95 p 15

[FBIS Translated Excerpt] Jacinto Estigarribia Maliada, president of the Paraguayan Central Bank (BCP), told this newspaper that the BCP has decided to put a drastic end to the proliferation of banks and financial houses [financieras] that has occurred over the past seven years, and on 28 March under the umbrella that it is given by Law No. 417 it ordered the suspension of authorization for the opening of new banks and financial houses, with the exception of those that have already begun the necessary steps to operate.

Although the BCP has the solvency and efficiency of the financial system as its basic objective, this decision to step strongly into the chain of monetary manipulation is based on its mandate to exercise greater control over the country's money movement, and fundamentally to prevent the operations of possible money launderers, whose actions are facilitated when there are many financial institutions in operation. [passage omitted]

Regarding the duration of the measure, the BCP's president did not want to give an estimation, but indicated that the ban on the opening of new financial institutions will be maintained until the economy's growth makes it necessary and feasible to increase the number of financial intermediaries. [passage omitted]

The BCP's statistics reveal that 11 new banks (a 26.6-percent growth) have opened up during the past seven years, that there are currently 35 banks operating in the country, and that two more are about to start up, an industrial bank and a financial house that has turned into a bank.

Regarding financial houses, their growth has been extraordinary from 1988 to March 1995, as there were 27 in 1988 while today there are 65 (a growth of 47.45 percent), and three more have been authorized but have not yet begun operations. [passage omitted]

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Peru

Fujimori Warns Ecuadorans of 'Firm, Categorical Reply'

PY3003033295 Lima Global de Television Network in Spanish 0200 GMT 30 Mar 95

[Broadcast begins with transmission already in progress]

[FBIS Translated Text] ...will answer firmly and categorically, after having said that our Armed Forces are in a permanent state of alert. These statements were made by President Alberto Fujimori in Arequipa after he dedicated several public works projects.

[Begin recording] [Fujimori] We want to handle the case in such a manner as not to play into their hands. After [two-second break due to transmission problems] years, Ecuador has finally accepted the guarantor countries and the Rio de Janeiro Protocol.

These have been small acts of provocation that were probably made exactly with that intention. However, my administration will defend the Rio de Janeiro Protocol, and it will defend peace. The Ecuadorans must not think that [four—second break due to transmission problems] are attentive and alert. We are not a country that deserves only respect. We deserve much more than respect. This is a serious warning to the Ecuadorans. These kinds of actions cannot take place here in Peruvian territory because there will be a reply, a firm and categorical reply.

[Unidentified correspondent] Mr. President, why is the Peruvian Government concerned [10-second break due to transmission problems]

[Fujimori] I hope that the the observers from the guarantor countries comply with all the steps of the Itamaraty Peace Declaration and avoid adopting an easy position by simply withdrawing from the scene. If they withdraw, other clashes and much more serious conflicts could take place. The observers of the guarantor countries know perfectly well that this was caused by Ecuador precisely because it is seeking to disrespect the Itamaraty Peace Declaration, which forces them to respect the Rio de Janeiro Protocol. [end recording]

Ecuador Accused of Engaging in 'Systematic Arms Race'

PY3003005495 Madrid EFE in Spanish 1657 GMT 29 Mar 95

[FBIS Translated Text] Lima, 28 Mar (EFE)—Lima, 28 Mar (EFE)—EFE was able to learn today from Peruvian official sources that Peru has accused Ecuador of engaging in a "systematic arms race" that began in 1994 and is threatening the stability of the region.

The sources assert that Peruvian officials "were able to establish with certainty" that Ecuador purchased a considerable amount of weapons for its Armed Forces from June 1994 to March 1995.

During that period, the Ecuadoran military high command reinforced its Navy with four Bell 206 Sea Ranger helicopters and one Beechcraft Super King Air 300-232 airplane that were purchased in the United States.

Ecuador also bought the following weapons from China for its Army: 72 HN-5A missiles, 30 SK-5A firing units, 18 37-mm double-barrel cannons, 34 23-mm double-barrel cannons, one CH-3A test and maintenance vehicle, three "Radar 702" firing guidance systems, four laser guidance systems, 20,000 37-mm cartridges, 20,000 3-mm cartridges, and one training kit.

Ecuador bought 45,000 HK-33 5.56-caliber rifles in Germany, 150 Igla antiaircraft missiles in Bulgaria, an undetermined number of 18- and 36-tube rocket launchers in Slovakia, and Datotex XMP cryptographic equipment and approximately 12,000 military field equipment items in the United States.

Ecuador also bought for its Air Force, from China, one 40-mm four-piece antiaircraft battery and seven antiaircraft artillery systems distributed in three 37-mm units and four 23-mm units. From Israel Ecuador purchased five K-Fir airplanes and an undetermined amount and number of ammunition and missiles.

The sources also said that "it has been verified that on 17 and 18 February, in the midst of the conflict with Ecuador, 65 metric tonnes of war materiel were brought from Argentina to Guayaquil in airplanes of the U.S. company Fine Air.

The sources added: "The Colombian media also denounced an eventual sale of 60 metric tonnes of Colombian weapons to Ecuador. It is also known that Ukrainian airplanes were detected in the Azores islands (Portugal) and in Aruba or Curacao carrying weapons from Slovakia for the Ecuadoran Armed Forces."

A Peruvian official also disclosed that in 1994 the Ecuadoran Armed Forces received $294 million from the country's budget "to cover its administrative and personnel spending alone."

This year, according to the official, the Ecuadoran budget for purchasing weapons reached about $360 million from "oil royalties."

This royalty represents 30 percent of the Ecuadoran oil exports, which reached $1.2 billion in 1994. This royalty was extended for another 15 years last February despite the IMF recommendation that it be eliminated.

Peruvian President Alberto Fujimori said last week that Peru will not follow the arms race apparently started by Ecuador, but several analysts said it will be "impossible" for Fujimori to resist the military pressures.

The Peruvian Armed Forces this week received the support of presidential candidate Javier Perez de Cuellar, who said Peru has the right to arm itself for defense, and that this is not an arms race.

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Peruvian Economy Minister Jorge Camet supported Fujimori's position when he said that the power of the Peruvian Armed Forces continues to be "firm" and that eventually Peru will only replace the weapons lost in the recent conflict with Ecuador.

According to unofficial sources, Peru lost four fighters and five helicopters in that conflict.

Camet said this possible spending, estimated at about $250 million, will not affect the current economic program because that spending was covered with the funds obtained for the sale of public companies and funds that are deposited abroad.

Press on Ecuadoran Troop Presence, Effect on Cease-Fire

PY2903220195 Madrid EFE in Spanish 1624 GMT 29 Mar 95

[FBIS Translated Text] Lima, 29 Mar (EFE)—The Peruvian press today stated that the 27 March cease-fire breach on the border with Ecuador confirms that Ecuadoran troops are in Peruvian territory and that it affects the agreed upon separation of forces.

The Lima newspaper EXPRESO states that the breach of the cease-fire constitutes an "Ecuadoran trap" aimed at precipitating the withdrawal of the guarantor countries (Argentina, Brazil, the United States, and Chile) and to show that the conflict with Peru cannot be resolved within the framework of the 1942 Rio de Janeiro Treaty.

According to the observers, the 27 March clash took place about 600 and 1,000 meters from the PV-1 [Watch Post 1] Peruvian base. According to EXPRESO, this confirms that Ecuadoran troops are still infiltrating Peruvian territory.

Mortar and rifle fire were used in this incident, which resulted in the death of one soldier on each side and an unspecified number of wounded.

The Lima and Quito governments mutually accused each other, but the guarantor countries were unable to verify who fired the first shot because the area where the incident took place, the Cenepa valley, is covered by a thick jungle.

EXPRESO states that if the guarantor countries "fall into the Ecuadoran trap, Peru will immediately adopt the decision of resorting to military force to expel the Ecuadoran troops from Peruvian territory."

It adds: "There will be one difference in comparison to the last time, however: Our country has clearly shown the international community its pacifist and nonexpansionist nature during the conflict."

Defense Minister Luis Cisnero Vizquerra also said that in the event of an eventual withdrawal of the guarantors, "there will be no room for a diplomatic solution to the conflict because Ecuador lacks the willingness to uphold the treaties in force."

The 27 March fighting, which lasted five hours, occurred while Peruvian General Nicolas Hermoza Rios, the chairman of the Armed Forces Joint Command, was making an inspection flight over the region.

A military spokesman stated the Hermoza heard the mortar shots from the helicopter he was flying.

Moreover, the newspaper EL MUNDO states that the 27 March attack constituted the third cease-fire violation in 20 days.

The first cease-fire violation, in which three Peruvians were killed and two wounded, occurred on 9 March; the second violation occurred on 22 March, and as a result of it, several soldiers were wounded.

The mission of observers only recognized the second cease-fire violation, after which it urged the two parties involved to adopt the necessary measures to avoid a confrontation of troops.

This time, the observers have warned the Ecuadoran and Peruvian Governments that if something happens to the observers who have been detached to the area of conflict, it will be the responsibility of the two countries.

The cease-fire was enforced on 1 March, after 32 days of an undeclared war, in compliance with the Itamaraty [Brazilian Foreign Ministry building] Peace Declaration.

According to what a guarantors' spokesperson reported last week, the last clash occurred shortly before the separation of forces, which was agreed upon in the Itamaraty Peace Declaration, was to come into effect.

According to this agreement, the Peruvian troops had to be redeployed to PV-1 and the Ecuadorans to their detachment in Coangos.

The Peruvian press states that the 27 March incident will affect the implementation of the separation of forces, and ensure the continued latent possibility of new armed clashes.

Goldenberg Summons Guarantor Country Representatives

PY3003031495 Lima Global de Television Network in Spanish 0200 GMT 30 Mar 95

[FBIS Translated Text] The ambassadors of Brazil, Argentina, Chile, and the United States, guarantor countries of the Rio de Janeiro Protocol, were summoned to the Foreign Ministry today.

During the meeting, Foreign Minister Efrain Goldenberg, after assessing the recent incidents on the northern border, asked the governments of the guarantor countries to instruct their observers to assume a more active and energetic role so that the Itamaraty and Montevideo

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agreements can be fully respected, as well as the Document of Procedures approved to guarantee respect for the cease- fire, the demobilization, and the demilitarization of the zone.

Also during the meeting, held at the Foreign Ministry building, the ambassadors of the guarantor countries—Brazilian Ambassador Carlos Luis Perez Coutinho, Chilean Ambassador Carlos Martinez, U.S. Ambassador Alvin Adams, and Argentine Ambassador Arturo Ossorio—discussed with Peruvian Foreign Minister Efrain Goldenberg the Peruvian Government's expressed concern over the recent incidents in the conflict zone. Furthermore, the need for the cease-fire to be respected was reiterated to the guarantor countries.

[Begin Brazilian Ambassador Perez Coutinho recording] We cannot dismiss the possibility of some sort of skirmishes that may take place in the area. The observers may prevent these types of incidents by maintaining a greater and more active presence in this zone and by trying to implement the plans they have, that is, the plans to separate forces. [end recording]

Uruguay

Economy Minister Submits Economic Adjustment Plan

PY3003020195 Madrid EFE in Spanish 1820 GMT 29 Mar 95

[FBIS Translated Text] Montevideo, 29 Mar (EFE)—The broad adjustment plan presented by the Uruguayan Government a month after its inauguration provoked the first criticisms and doubts about its effectiveness today, despite the almost unanimous belief that it was "inevitable."

The basic goals of the plan worked out by Economy and Finance Minister Luis Mosca's team are to reduce the fiscal deficit from the current level of 2.8 percent of the GDP to 1.5 percent of the GDP and to improve the competitiveness of Uruguayan companies abroad.

The plan will also attempt to reduce inflation from 44 percent to 30 percent and the unemployment rate from 9.6 percent to 8 percent.

The plan, which has already been baptized by popular newspapers as "the package" [paquetazo], includes, among many other things, VAT [value-added tax] and personal income tax increases and reductions in public spending, investments, and industries' contributions to the state.

Some of the measures, with which the government will attempt to collect some $470 million this year, leaving a deficit of $250 million, must now be approved by Congress. Minister Mosca said today he expects the plan will be approved "without delay."

The plan has the support of the National or Blanco Party, which is a member of the coalition government headed by Julio Maria Sanguinetti, of the Colorado Party, the winner of the 27 November elections. The plan is objected to by the smaller coalition party New Space, of the center-left, but it has enough support to be approved in Congress.

The leaders of these three political groups have referred to the adjustment measures with adjectives such as "necessary," "urgent," and "inevitable," while the reactions of representatives of the leftist coalition Broad Front, which controls almost a third of Congress, have been negative.

Senator Reinaldo Gargano, a Socialist leader, said today that the package is "a brutal group of measures" that "hits the population in general massively." The labor association PIT-CNT [Interunion Workers Assembly-National Convention of Workers] announced that the executive board will analyze the effects of the measures today. According to one of its leaders, the package is, in fact, "a salary cut."

Mosca, who today participated in one of the most popular radio programs in the country to explain his plan, said the government asks for "sacrifice and efforts" because there are no "other alternatives," stressing that the adjustment will be much more costly if it is not implemented now.

"The difficulty is that generally you cannot see what you avoided (with the adjustments). You only see what they cost," Mosca stressed.

The minister said the country must adjust to a regional reality, giving as recent examples the adjustments in Argentina and Brazil, which, together with Uruguay and Paraguay, form the Common Market of the South (Mercosur).

The criticisms of leftist groups and labor unions center on the increase in taxes on salaries and consumption. Entrepreneurs and bankers, meanwhile, talk about maintaining the foreign exchange policy and criticize the absence of strong measures to regulate public spending.

Former Central Bank President Ramon Diaz said the measures proposed by the government were "necessary," although they must be "complemented by other measures to generate the necessary surplus in order to achieve stability."

Jacinto Muxi, president of the Uruguayan Chamber of Industries, said we still need "measures establishing a long-term stable framework." Alfonso Varela Fernandez, president of the National Chamber of Commerce, said "a one percentage point increase of the VAT is too much. The rate was already high and now it could be too high," causing "high levels of tax evasion."

"What we want to see is whether public spending is effectively reduced because administration officials have

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talked about it for a long time without achieving anything," Simon Berkowitz, president of the Mercantile Chamber of Uruguayan Products, said.

Venezuela

Caldera Interviewed on First Year

PA2903174595 Caracas EL UNIVERSAL in Spanish 27 Mar 95 p 1-13

[FBIS Translated Text] On the first anniversary of Rafael Caldera's first year heading the Venezuelan Government, there is general agreement, from a political perspective, that it has yielded a positive balance after the turbulence that preceded Caldera's election in December 1993, the two foiled coup attempts of the recent past (1992), and the succession of Carlos Andres Perez in the presidency. Perez, who is currently under house arrest, faces a criminal trial by the Supreme Court on charges of administrative corruption. From an economic perspective, however, Caldera's government has experienced a decrease in the GNP caused by a 70.7 percent inflation rate at the end of 1994 and the financial crisis that has cost the government approximately $7.5 billion.

Caldera begins his second year in government with Luis Raul Matos Azocar as the new finance minister, replacing Julio Sosa Rodriguez who will be the roving minister for international economic issues, that is to say, he will offer confidence to foreign investors and maintain close ties with the international financial institutions. Planning Minister Werner Corrales presented the Fourth National Program, for a 20-year period, that proposes a 30-percent reduction in inflation this year. The privatization of 17 government-controlled banks and of deficit-producing government firms form the agenda of an administration which faces the election of governors, mayors, and municipal officials in December, the first time citizens will be giving their evaluation.

In this context, President Rafael Caldera agreed to give an exclusive interview to VISION magazine at the Miraflores Palace, the seat of government.

[VISION] Mr. President, one year into your mandate, can you say that the financial crisis is over and that 1995 will mark the beginning of an economic era that will offer full guarantees to foreign investors?

[Caldera] The crisis inherited by my administration is of such magnitude and dimensions that it has been unmatched, not only in our history, but also that of the entire world during peacetime. Solving it has entailed a continuous effort by the government in order to prevent its effects from causing chaos in the country's economy, particularly for the financial system's major players. Since 1994, one part of the banking system has been crumbling after another as result of macroeconomic factors and major mistakes in bank decisionmaking, which has not been immune to corruption. Guarantees for investors are, and will always be, safeguarded, because we are convinced that they constitute a fundamental element in overcoming the crisis. It is not the legislation by itself which provides guarantees for foreign investors, but the social order strengthened by the consolidation of public order, and the credibility of all government institutions.

[VISION] President Caldera, some sectors are determined to describe your administration as populist, However, this year it is expected that privatization in the petroleum sector will become a reality, and that the privatization process will expand. What is the truth behind all of this?

[Caldera] I have stated repeatedly that my government will always advocate values such as ethics, work, savings, education, and alternatives which advance the progress of a nation. We have stated that we will avoid populist and neoliberal temptations expressed through policies that disregard the inequality that results from separating economic issues from social issues. Venezuela is undergoing a crisis that can be traced to the implementation of populist and neoliberal policies which were applied one after another with equal or worse results. It is our intention to transform the bond-issuing feature [rentista] of our economy, and its wealth accumulation process by valuing productive effort and by incorporating the Venezuelan economy into the global economy. In this respect, we are not only on the way to preparing for the privatization of the petroleum sector through strategic associations [associaciones estrategicas], but we have also designed a privatization process which, in addition to safeguarding national interests, is also open to domestic and foreign investors with all the necessary guarantees.

[VISION] Mr. President, Venezuela is currently participating in several regional integration processes such as the G-3 with Mexico and Colombia, as well as the Andean Group. Is it feasible to think about a SAFTA, a sort of South American free trade zone, as Brazil has suggested?

[Caldera] The Venezuelan people's commitment to integration has been expressed in America since the time of Simon Bolivar's great liberation movement. As part of this process, our country has developed several initiatives, such as the one you mentioned, and despite the sometimes painful obstacles such as those some Andean Group nations are experiencing, we are confident the integration process will be consolidated. Moving toward a SAFTA, which has been conceived of as a South American free trade zone, could well be of much significance to our nations. The advancement of such a concept requires agreements in the short and medium term, as well as decisions with respect to participation in other integration agreements, including those involving Caribbean and Central American nations.

[VISION] With respect to integration, does the 2005 deadline, which was decided during the Summit of the

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Americas in Miami as the year when the hemispheric free trade zone will be implemented, seem too optimistic? What obstacles do you envision in implementing this initiative on that date?

[Caldera] We must be optimistic. That goal will be met to the degree that the governments of the region are capable of developing initiatives that will contribute to overcoming existing obstacles. Venezuela has honored all the free trade agreements it has signed and amid the crisis we have been able to expand our exports. The same spirit can be extended throughout the hemisphere insofar as opportunities for cooperation are taken advantage of.

[VISION] Mr. President, poverty, drug trafficking, and corruption would seem to be the greatest challenges democracy is confronting. Do you believe governments throughout Latin America have sufficient internal and external support to overcome these scourges, or do we run the risk of a return to authoritarian governments?

[Caldera] The scourge of poverty, drug trafficking, and corruption in our nations, while linked, are at the same time social phenomenon each with its own distinct origin, organization, and dynamics. To propose the same solution for all of them would be somewhat naive, without ignoring the need to confront each of these scourges simultaneously, sometimes in the same social or geographic area. During the Summit of the Americas, my administration presented a proposal to counter corruption which was unanimously accepted, but which needs to be translated into a concrete program. With respect to drug trafficking, there has been much progress made through bilateral agreements between the various countries of the region which should lead to a multilateral agreement. Regarding poverty, confronting it is precisely the best way to prevent the reinstatement of authoritarian governments in the region. It would seem that the multilateral organizations have also begun to understand this. During the past few years, we have been able to witness decisions by the IDB and the World Bank to channel resources to social needs and at the same time strengthen democracy.

[VISION] Political parties throughout Latin America are confronting a serious credibility crisis, however, these parties are critical to the advancement of democratic institutions. You yourself left Copei [Social Christian Party], the party you founded. What is your opinion with respect to how these contradictions will be solved?

[Caldera] It is true that political parties outside Latin America are also confronting credibility problems related to mechanisms for implementing democracy. This phenomenon is rooted in the loss of leadership, more specifically, the loss of the ethical foundation of leadership. It is also rooted in the distance that sometimes tends to grow between leaders and the grass roots, especially during times of crisis. Whenever this occurs, the loss of party legitimacy is reinstated by overcoming the previously mentioned problems, and closely associating political parties with real democratic functions. It is also reinstated by parties becoming legitimate speakers for individuals and groups in society.

[VISION] Mr. President, your political detractors complain that you are endowed with an arrogant personality and are not open to a political dialogue, or agreements. Does this really apply to you? Is there place in your political philosophy for self-criticism?

[Caldera] An individual's political philosophy can be traced to that person's history. We have always advocated philosophies centered on the church's doctrine of social values, not simply because of excess pride, but because of simple and reflective reasoning.

National dialogue is a valuable mechanism so long as it is not limited to a simple agreement among elites or "cogollos" [large traditional political parties], as the Venezuelan people happen to call them. No one is free from making mistakes and this government is constantly searching for a dialogue with all the political and social sectors. At times, this government has even been criticized for not making more expeditious decisions on certain problems, but in all cases, we have opted for seeking an agreement, talking, and establishing the minimum basis for common agreement before making an executive decision. The creation of a broad coalition, before and after the 1993 presidential election, as well as the firm determination of the political players that supported my candidacy to maintain and to develop that coalition for the 1995 regional and municipal elections demonstrates its strength, without any deterioration in the resolve to coordinate efforts in all areas with other forces that are receptive to the current needs.

[VISION] Mr. President, we are facing an unusual phenomenon in Latin America: reelections. Sanguinetti did it in Uruguay; Menem wants to repeat it in Argentina; Frei Ruiz-Tagle in Chile; and Figueres in Costa Rica. What do you believe is the matter with the new generation of politicians?

[Caldera] The rapid pace of the economic and social processes involved in the so-called telecommunications and technological revolutions certainly has a tendency to produce a reassessment of traditional values, which leads to change. The circumstances you mention occur within the framework of that phenomenon, however, the nature of that recovery or search for historic continuity is characteristic of each nation. The future is always built on the present, which emerges from the past. The most serious setback for a nation would be to be left without any history.

[VISION] Mr. President, since you have been a key player in most of our country's recent political history, do you believe the unipolar world will coexist with humanism?

[Caldera] A unipolar world must not necessarily be a totalitarian one. Throughout history, mankind has gradually generated mechanisms and resources in its search

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for greater freedom and a better way of living. Humanism, embodied in the defense of the individual faced with the dominance of circumstances, will survive and will become stronger. There is no alternative. Humans have been created to love and to be free.

[VISION] Finally, which are your main concerns as a Venezuelan and as a Latin American?

[Caldera] As a Venezuelan, my aspiration is to be capable, during my administration, of taking all the measures and necessary policies to overcome the crisis, thus opening the path toward economic progress with social equality. As a Latin American, my aspiration is that our progress, along with the individual progress of each sister nation, opens the prospect for participation in the international community based on the well-being of our peoples and a contribution to peace.

Caldera Inaugurates 2d National Mayors Council

PA2503174695 Caracas Venezolana de Television Network in Spanish 0200 GMT 25 Mar 95

[Report by Melissa Soto from "The News" newscast]

[FBIS Translated Text] President Rafael Caldera has inaugurated the 2d National Mayors Council with optimism and with the intention to work even harder for Venezuela.

President Rafael Caldera called on all Venezuelan mayors to contribute all they can from their jurisdictions to help make the 9th National Plan successful so the country can come out ahead.

The president inaugurated the 2d National Mayors Council where he took advantage of the opportunity to call on the 280 mayors to review the 9th National Plan with a constructive and serious spirit because it needs everyone's opinions.

[Begin Caldera recording] The National Plan is not an executive branch plan. It is a commitment we want to carry out among all public and private sectors of Venezuela to achieve a plan for the country that can serve as a basis and effective encouragement so that Venezuela can walk with firm steps toward the 21st Century. [end recording]

Likewise, the head of state recognized the enormous deterioration of the country's public services and the need to join efforts to face this chaos.

[Begin Caldera recording] It is a type of vicious cycle that demands the participation of all sectors. We clearly understand that municipalities alone do not have the resources to take care of the fundamental needs of the population. [end recording]

Participants reviewed topics such as security, municipalities, decentralization, and citizens' participation during this mayors council.

Likewise, the president of the National Mayors Council said that it is necessary to provide more resources to municipalities to meet the population's needs in each one of the municipalities.

Legislators Sign Accord With Colombian Counterparts

PA2803154295 Caracas EL UNIVERSAL in Spanish 27 Mar 95 p 1-12

["Text" of agreement reached between the Venezuelan and Colombian Congresses; signed by Venezuelan Congress President Eduardo Gomez Tamayo; Colombian Senate President Juan Guillermo Angel; Alvaro Benedetti, president of the Colombian Chamber of Representatives; Carmelo Lauria, president of the Venezuelan Chamber of Deputies; and other congressmen from both nations at Guasdualito, Apure State, Venezuela; date not given]

[FBIS Translated Text] The Congresses of Venezuela and Colombia assume the responsibility of motivating, safeguarding, and furthering the relations between both countries.

The ties of friendship between Venezuela and Colombia must produce positive results in the economic, social, cultural, and other sectors so as to provide greater wellbeing for the people of both nations.

To achieve those objectives, we resolve:

a) to create a bilateral Friendship Commission. This commission will be installed on this date but will be increased to include the congressmen who represent the border regions.

b) to reiterate our will to approve the bilateral treaties, which have been signed by our governments, geared to solving problems related to stolen vehicles and the penal situation of nationals in both countries, as well as the furthering of integration and economic and social development in the common border area.

c) to request that the national executives create Venezuelan and Colombian Armed Forces commissions that will establish relations at all tactical and operational levels.

d) to back the governments of both countries in their efforts to further the Latin American integration process.

e) to commit our efforts to the social and economic development of the border areas. We fully understand that this requires the area to be populated and that all types of activities be furthered therein.

f) that both congresses will study the necessary legislative measures to ease commerce as well as other activities that will strengthen the ties of friendship and brotherhood between the people of both countries.

g) that the Congresses will cooperate to overcome differences and will contribute, in all actions within their

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jurisdiction, to ensure that their future relations will be based on solidarity and Bolivarian sentiments.

h) In addition to the aforementioned activities, the Friendship Commission, appointed by both Congresses, will promptly prepare an agenda of the basic issues to be discussed at regular meetings. The commission members will also determine their operating bylaws at the regular meetings. Furthermore, both congresses declare, in solidarity, their decision not to spare any effort to defeat border bandits, drug traffickers, and gunrunners, who are directly responsible for the criminal incidents that have caused so much harm to the relations between the two countries.

i) The Congresses understand that the serious environmental problems experienced in the border area require the urgent attention of both governments. The deterioration of the hydrographic basin is the result of the indiscriminate razing of forests. It must be stopped and controlled to preserve our common heritage. There must be greater control over lumber storehouses and the transportation of agricultural products and we declare that those activities cannot be carried out as they currently are.

j) The issue of immigration and the management of nationals in both countries will be given priority on the agenda of the Friendship Commission.

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